poses; without amendment (Rept. No. 1366). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H. R. 5956. A bill to provide a method of financing the acquisition and construction by the city of Duluth of certain bridges across the St. Louis River, and for other purposes; with an amendment (Rept. No. 1367). Referred to the House Calendar.

Mr. PETERSON: Committee on Public Lands. H. R. 6230. A bill to direct the Secretary of the Interior to convey certain land to school district No. 5, Linn County, Oreg.; without amendment (Rept. No. 1368). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 6259. A bill to provide for the installation of a carillon in the Arlington Memorial Amphitheater, Arlington National Cemetery, Fort Myer, Va., in memory of World War II dead; without amendment (Rept. No. 1369). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTINGTON: Committee on Public Works. House Joint Resolution 353. Joint resolution authorizing the Commission on Renovation of the Executive Mansion to preserve or dispose of material removed from the Executive Mansion during the period of renovation; with an amendment (Rept. No. 1370). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WOODRUFF:

H. R. 6290. A bill to increase revenues by raising the national income, creating new jobs and new wealth, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ANDERSON of California:

H. R. 6291. A bill providing that on and after the date of enactment of this act, for pension purposes, any person who served under contract with the War Department as acting assistant or contract surgeon between April 21, 1898, and February 2, 1901, shall be considered to have been in the active military service of the United States for the period of such contract service between those dates; to the Committee on Veterans' Affairs.

By Mr. BARRETT of Wyoming:

H. R. 6292. A bill to provide that payments to States under the Oil Land Leasing Act of 1920 shall be made biannually; to the Committee on Public Lands.

By Mr. DOYLE:

H. R. 6293. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. EVINS:

H. R. 6294. A bill relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944); to the Committee on Veterans' Affairs.

By Mr. FORAND:

H. R. 6295. A bill to provide for the continuance of family benefits to civil-service employees separated after 5 years' service; to the Committee on Post Office and Civil Service.

By Mr. HAVENNER:

H. R. 6296. A bill to provide a suitable citation for members of the armed services killed or injured in "Operation Hayride or Snowbound"; to the Committee on Armed Services.

By Mr. KEAN:

H. R. 6297. A bill to extend the coverage of Federal old-age and survivors insurance system, to increase benefits payable under such system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes; to the Committee on Ways and Means.

By Mr. MILLS:

H. R. 6298. A bill to provide for the conveyance of certain land in Monroe County, Ark., to the State of Arkansas; to the Committee on Public Lands.

H. R. 6299. A bill to permit any veteran of both world wars to elect to have his service in World War I counted as service in World War II for the purpose of determining eligibility for certain benefits; to the Committee on Veterans' Affairs.

By Mr. O'BRIEN of Michigan:

H. R. 6300. A bill to amend the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

By Mr. RANKIN (by request):

H. R. 6301. A bill to provide for parity in awards of disability compensation; to the Committee on Veterans' Affairs.

By Mr. VINSON:

H. R. 6302. A bill to amend the act of June 12, 1948 (Public Law 626, 80th Cong.), and the act of June 16, 1948 (Public Law 653, 80th Cong.), to authorize the construction of single- or duplex-type family quarters for the Department of Defense; to the Committee on Armed Services.

H. R. 6303. A bill to authorize certain construction at military and naval installations, and for other purposes; to the Committee on Armed Services.

By Mr. BENTSEN:

H. R. 6304. A bill to provide certain authorizations for the Department of State and the United States section of the International Boundary and Water Commission, United States and Mexico, in carrying out the functions of the Commission and to facilitate compliance with the provisions of the treaty between the United States of America and the United Mexican States signed at Washington on February 3, 1944, relating to the utilization of the waters of the Colorado and Tijuana Rivers and of the Rio Grande below Fort Quitman, Tex., and for other purposes; to the Committee on Foreign Affairs.

By Mr. SPENCE:

H. R. 6305. A bill to give effect to the international wheat agreement signed by the United States and other countries relating to the stabilization of supplies and prices in the international wheat market; to the Committee on Banking and Currency.

By Mr. COOLEY:

H. Res. 373. Resolution granting 6 months' salary and $250 funeral expenses to the estate of Ruth B. Phillips, late an employee of the House Committee on Agriculture; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of South Dakota:

H. R. 6306. A bill authorizing the issuance of a patent in fee to Robert Lloyd White Horse; to the Committee on Public Lands.

H. R. 6307. A bill authorizing the issuance of a patent in fee to David R. Medicine Bear; to the Committee on Public Lands.

H. R. 6308. A bill authorizing the issuance of a patent in fee to Mercy Vassar Moose; to the Committee on Public Lands.

H. R. 6309. A bill authorizing the issuance of a patent in fee to James Kills Alive; to the Committee on Public Lands.

By Mr. HORAN:

H. R. 6310. A bill for the relief of James B. Reidy; to the Committee on the Judiciary.

By Mr. LARCADE:

H. R. 6311. A bill for the relief of Rivers Fontenot; to the Committee on the Judiciary.

By Mr. MARSHALL:

H. R. 6312. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Joseph Lundborg and others against the United States; to the Committee on the Judiciary.

By Mr. JOSEPH L. PFEIFER:

H. R. 6313. A bill for the relief of Mrs. Leonarda Montalbano Cartafalsa; to the Committee on the Judiciary.

By Mr. REDDEN:

H. R. 6314. A bill for the relief of the State Trust Co., Hendersonville, N. C.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1511. By the SPEAKER: Petition of Mrs. Dora E. Miller and others, Lewistown, Pa., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1512. Also, petition of T. S. Kinney and others, Orlando, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1513. Also, petition of Mrs. Mary Schnell and others, Orlando, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1514. Also, petition of Mrs. Viola M. Campbell and others, Sanford, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

TUESDAY, OCTOBER 4, 1949

(Legislative day of Saturday, September 3, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, whose mercies are new every morning, into Thy merciful and guiding hand we this day commit our wills and our work, in confidence and calm. Open our ears, we beseech Thee, to hear the call of far horizons and the stirring trumpets of challenge sounding the advance to a new era for mankind.

In these days in which the souls of men are sorely tried, when so much is demanded of those who would serve the present age, grant us the divine strength and grace that we may prove worthy of every trust the Nation commits to our hands as on the anvil of vast issues there slowly takes shape the new and better world that is to be. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. EASTLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, October 3, 1949, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 614. An act to amend the Hospital Survey and Construction Act (title VI of the

Public Health Service Act), to extend its duration and provide greater financial assistance in the construction of hospitals, and for other purposes; and

S. 2116. An act to provide for the advance planning of non-Federal public works.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 1185. An act to incorporate the National Safety Council;

H. R. 2196. An act to authorize the elimination of lands from the Flathead Indian irrigation project, Montana;

H. R. 3419. An act to amend the Merchant Ship Sales Act of 1946;

H. R. 3793. An act to provide for the furnishing of quarters at Brunswick, Ga., for the United States District Court for the Southern District of Georgia;

H. R. 5002. An act to incorporate the Reserve Officers Association of the United States;

H. R. 5166. An act to extend the laws of the United States relating to civil acts or offenses consummated or committed on the high seas on board a vessel belonging to the United States, to the Midway Islands, Wake Island, Johnston Island, Sand Island, Kingman Reef, Kure Island, Baker Island, Howland Island, Jarvis Island, Canton Island, and Enderbury Island, and for other purposes;

H. R. 5191. An act to provide for the furnishing of quarters at Thomasville, Ga., for the United States District Court for the Middle District of Georgia;

H. R. 5305. An act to increase the retired pay of certain members of the former Lighthouse Service;

H. R. 5368. An act to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes;

H. R. 5674. An act to extend the time for the collection of tolls to amortize the cost, including reasonable interest and financing cost, of the construction of a bridge across the Missouri River at Brownsville, Nebr.;

H. R. 5866. An act to adjust and define the boundary between Great Smoky Mountains National Park and the Cherokee-Pisgah-Nantahala National Forests, and for other purposes;

H. R. 5872. An act to extend the boundaries of the Toiyabe National Forest in the State of Nevada;

H. R. 5951. An act to amend section 3 of the Travel Expense Act of 1949;

H. J. Res. 23. Joint resolution designating November 19, 1949, the anniversary of Lincoln's Gettysburg Address, as Dedication Day; and

H. J. Res. 184. Joint resolution authorizing the President of the United States of America to proclaim February 6, 1950, as National Children's Dental Health Day.

LEAVE OF ABSENCE

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the Senator from Indiana [Mr. JENNER] be permitted to be absent from the session of the Senate today because of the illness of his father, as the Senator desires to be with him today.

The VICE PRESIDENT. Without objection, leave is granted.

CALL OF THE ROLL

Mr. EASTLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Millikin
Anderson	Hickenlooper	Morse
Baldwin	Hill	Mundt
Bricker	Hoey	Murray
Bridges	Holland	Myers
Butler	Hunt	Neely
Byrd	Ives	O'Conor
Cain	Johnson, Colo.	O'Mahoney
Capehart	Johnson, Tex.	Pepper
Chapman	Johnston, S. C.	Robertson
Chavez	Kefauver	Russell
Connally	Kem	Saltonstall
Cordon	Kerr	Schoeppel
Donnell	Kilgore	Smith, Maine
Douglas	Knowland	Sparkman
Downey	Langer	Stennis
Eastland	Long	Taylor
Ecton	Lucas	Thomas, Okla.
Ferguson	McCarthy	Thomas, Utah
Flanders	McClellan	Thye
Fulbright	McFarland	Watkins
George	McKellar	Wiley
Gillette	McMahon	Williams
Graham	Magnuson	Withers
Green	Martin	Young
Gurney	Maybank	
Hayden	Miller	

Mr. MYERS. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Rhode Island [Mr. LEAHY], are absent on public business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from New York [Mr. DULLES], the Senator from Massachusetts [Mr. LODGE], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Indiana [Mr. JENNER] is absent by leave of the Senate because of illness in his family.

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate be permitted to introduce bills and joint resolutions, submit resolutions, petitions, and memorials, and incorporate routine matters in the RECORD, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Committee on Territories and Insular Affairs was authorized to hold a hearing this afternoon during the session of the Senate.

On request of Mr. NEELY, and by unanimous consent, the Committee on the District of Columbia was authorized to meet this afternoon during the session of the Senate.

On request of Mr. THOMAS of Oklahoma, and by unanimous consent, the Subcommittee on Military Appropriations of the Senate Appropriations Committee was authorized to meet during the session of the Senate this afternoon from 1:30 p. m. on.

PRICE SUPPORTS FOR FARM PRODUCTS—LETTER FROM MARYLAND FARM BUREAU

Mr. O'CONOR. Mr. President, in connection with the debate on the bill to stabilize prices of agricultural commodities, I have a letter from the Maryland Farm Bureau, outstanding organization vitally interested in the welfare of our agricultural people, indicating its opposition to rigid price supports for farm products.

I ask unanimous consent that it be appropriately referred and inserted in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

MARYLAND FARM BUREAU, INC.,
Baltimore, Md., July 27, 1949.

Hon. HERBERT R. O'CONOR
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'CONOR: The delegates of the Maryland Farm Bureau are on record as opposed to rigid price supports for farm products. They unanimously endorsed the flexible farm price-support principles contained in the 1948 act.

In the recent House action we backed the Gore bill to defeat the Brannan plan, which we consider even worse than the rigid support plan.

The Senate Agricultural Committee is revising the flexible support plan in the existing legislation. Farm Bureau recommendations were presented to this committee and a copy sent you for your information.

We urge you to oppose rigid price supports and to back the enactment of flexible farm price supports with the improvements suggested.

Respectfully yours,

C. E. WISE, Jr.,
Secretary-Treasurer.

FIXED PARITY PROGRAM FOR AGRICULTURAL COMMODITIES—RESOLUTION OF FARMERS COOPERATIVE ASSOCIATION, INC., FREDERICK, MD.

Mr. O'CONOR. Mr. President, as another indication of the opposition to a fixed parity program for agricultural commodities, the Farmers Cooperative Association, Inc., of Frederick, Md., has forwarded to me a resolution adopted by the board of directors of that association favoring a sliding scale of parity payments and registering unalterable opposition to any Government controls of agriculture. I ask unanimous consent that the resolution be appropriately referred and printed in the RECORD.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas the Congress of the United States is considering two major farm plans, i. e., 90 percent or fixed parity and 60 percent to 90 percent or the sliding scale plan; and

Whereas the 90-percent plan has demonstrated a tendency to encourage overproduction; and

Whereas overproduction of farm products under fixed parity will either deplete the Treasury of the United States or be an invitation to socialistic controls of farm prac-

tices, and the beginning of the end to free enterprise: Now, therefore, be it

Resolved by the members of Farmers Cooperative Association, Inc., in annual meeting assembled this 29th day of January 1949, That we recommend the adoption of a sliding scale of parity payments since we are unalterably opposed to any governmental controls of agriculture; and be it further

Resolved, That copies of this resolution be sent to Senators TYDINGS and O'CONOR and Representative BEALL.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. ANDERSON, from the Committee on Agriculture and Forestry:

S. Res. 173. Resolution to investigate means of stimulating surplus agricultural commodity exports; without amendment (Rept. No. 1121); and, under the rule, referred to the Committee on Rules and Administration.

By Mr. YOUNG, from the Committee on Agriculture and Forestry:

S. 2034. A bill to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities; without amendment (Rept. No. 1122).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Selden Chapin, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Netherlands;

Myron Melvin Cowen, of New York, to be the representative of the United States to the fifth session of the Economic Commission for Asia and the Far East established by the Economic and Social Council of the United Nations March 28, 1947; and

Jacob D. Beam, and sundry other routine appointments in the Diplomatic and Foreign Service.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KNOWLAND (for himself and Mr. DOWNEY):

S. 2633. A bill to give effect to the Convention for the Establishment of an International Commission for the Scientific Investigation of Tuna, signed at Mexico City, January 25, 1949, by the United States of America and the United Mexican States, and the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington, May 31, 1949, by the United States of America and the Republic of Costa Rica, and for other purposes; to the Committee on Foreign Relations.

By Mr. THOMAS of Oklahoma:

S. 2634. A bill to provide price support for potatoes and to regulate the marketing thereof;

S. 2635. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended; and

S. 2636. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

By Mr. SALTONSTALL (for himself and Mr. LODGE):

S. 2637. A bill to authorize the attendance of the United States Marine Band at a celebration commemorating the one hundred and seventy-fifth anniversary of the Battle of Lexington, to be held at Lexington, Mass., on April 19, 1950; to the Committee on Armed Services.

Mr. THYE. Mr. President, I introduce for appropriate reference a bill for the relief of William J. Ryan, a disabled honorably discharged soldier.

The VICE PRESIDENT. The bill will be received and appropriately referred.

By Mr. THYE:

S. 2638. A bill for the relief of William J. Ryan; to the Committee on Labor and Public Welfare.

PROPOSED AMENDMENT OF FOOD AND DRUG ACT

Mr. O'CONOR. Mr. President, because of the many inquiries that have been made concerning the proposal which I have offered as a substitute to H. R. 562, the so-called Van Zandt bill, to amend the export requirements of the Federal Food, Drug and Cosmetics Act, a memorandum has been prepared explaining the reasons and the purposes of the amendment.

I ask unanimous consent that it be inserted in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

The substitute to H. R. 562, proposed by Senator O'CONOR, is designed completely to prevent the exportation of foods, drugs, devices, and cosmetics which are injurious to health or falsely labeled, but other detailed regulation of the labeling of exported articles covered by the Food, Drug and Cosmetic Act would be left to the country to which the articles were exported.

Testimony before the House and Senate Commerce Committees on H. R. 562 has made it clear that foreign requirements, foreign customs, and foreign tastes are often entirely different from the requirements, customs and tastes in the United States and that to attempt to impose all of the domestic labeling requirements upon products sold abroad would not only place an unwarranted handicap upon American exporters but would also cause conflict with foreign requirements and customs.

Section 801 (d) of the Food, Drug and Cosmetic Act now provides that a food, drug, device or cosmetic shall not be deemed to be adulterated or misbranded if it (1) complies with the specifications of the foreign purchaser, (2) is not in conflict with the laws of the country to which it is being exported, (3) and is labeled as being for export on the outside of the shipping package.

On the whole this section has worked out well. There have been a few reported instances, however, where articles, principally drug products, have been falsely labeled and shipped to countries which either do not have regulations prohibiting such labeling or do not enforce them. As a result of complaints of such instances, H. R. 562 was introduced to protect foreign consumers of American products.

In their zeal to prevent the sale of falsely labeled goods in foreign countries, however, the proponents of H. R. 562 in its original form and as it passed the House have gone far beyond the correction of such abuses and have placed an impossible burden upon the American manufacturer who exports his goods. Under H. R. 562 as it passed the House, the American exporter must comply with all the detailed labeling requirements for products sold in the United States unless he can prove that his product complies with some different but corresponding requirement in some law in the country to which the product is being exported.

Testimony at the hearings has shown that in most cases it is impossible to determine in advance what the requirements of the foreign law are. In practical effect this means that the American exporter must comply with all of the detailed labeling requirements applicable to products sold domestically, while his foreign competitor needs to comply only with the regulations in the country where the products are sold. As a result the American exporter is placed at a tremendous disadvantage.

In many cases the labeling required by our American law may completely confuse the foreign consumer, and officials in the foreign country may require that the labels complying with American law be stripped from the articles to be replaced with labels meeting the local requirements. The hearings on this bill indicate that a common-sense approach to this problem is needed and that laudable though it may be to attempt to legislate for foreign consumers everywhere, the most that Congress should do on this problem is to prevent the exportation from the United States of foods, drugs, devices, or cosmetics which are injurious to health or falsely labeled.

The O'Conor substitute provides, first, that a food, drug, or cosmetic intended for export shall not be deemed to be adulterated or misbranded if it is labeled on the outside of the shipping package with the name of the foreign consignee or the words "For Export" and if it is prepared and labeled in accordance with official action or local custom and usage in the foreign country to which it is destined. Under this latter provision an exported article could be made and labeled to conform to foreign requirements and tastes or customs without violating the provisions of the Food, Drug and Cosmetic Act. This provision avoids the unrealistic attempt in H. R. 562 as it passed the House to impose American definitions and labeling requirements upon all American-made products sold in foreign markets.

In addition to these two provisions, which apply to all exported foods, drugs, and cosmetics, the O'Conor bill also lays down certain basic requirements which must be met by each type of exported article. In the case of food, the bill provides that exported articles must not be unfit for food or injurious to health. These are matters which can be determined irrespective of foreign tastes and requirements, and although such food products are seldom, if ever, exported, it should be made clear that food products in fact unfit for food or injurious to health cannot be exported.

Food to be exported must also meet the requirements of sections 403 (a) and (d) and section 404 of the act. Section 403 (a) provides that a food shall be deemed to be misbranded if its labeling is false or misleading in any particular. For example, under this provision a food which was labeled as containing 60 units of a certain vitamin when it actually contained only 30 units could not be exported. Exported foods would also have to comply with section 403 (d) which provides that a food shall be deemed to be misbranded if its container is so made, formed or filled as to be misleading. Thus under the bill a food packed in a container with a false bottom could not be exported. Finally, a food product could not be exported which did not comply with section 404 of the act, which authorizes the Administrator to set up an emergency permit control system to check the distribution of contaminated food which may be injurious to health. As far as can be determined, this authority has never been used, but this provision merely complements the requirement in the bill that no food shall be exported which is injurious to health. In summary, the O'Conor bill provides with respect to foods to be exported that the article must meet certain basic requirements of

health and honest labeling and packaging which apply the world over, but the detailed regulations defining foods and required labeling, which vary from country to country, are left to the individual countries in which the articles are sold.

Drugs and devices to be exported must also meet certain basic requirements under the O'Conor bill. Section 501 of the act sets forth the factors which will cause a drug or device to be deemed to be adulterated, and a drug or device to be exported must comply with this section. An exported drug or device must also comply with section 502 (a) which provides that a drug or device shall be deemed to be misbranded if its labeling is false or misleading in any particular. For example, under this provision a product labeled "Russian mineral oil," when in fact the oil was obtained from sources outside Russia, could not be exported. Exported drugs would also have to comply with section 502 (i), which states that a drug shall be deemed to be misbranded if its container is so made, formed or filled as to be misleading or if it is an imitation of another drug or if it is offered for sale under the name of another drug. This provision would prohibit misrepresentation as to the identity of the drug but would not prevent the use of the foreign rather than the American name for the product.

Section 502 (j) of the present act provides that a drug or device shall be deemed to be misbranded "if it is dangerous to health when used in the dosage, or with the frequency or duration prescribed, recommended or suggested in the labeling thereof." Exported drugs and devices under the O'Conor bill would be required to comply with this section. This provision parallels the requirement for food cited above prohibiting the export of food injurious to health.

Under the proposed substitute section 502 (k) and 502 (l) requiring insulin, penicillin, and streptomycin to be certified by the Food and Drug Administration, would also apply to exports of these drugs, as well as sections 506 and 507 describing the certification procedure for drugs containing insulin, penicillin, and streptomycin. The requirement in section 505 that new drugs must be approved by the Food and Drug Administration would also apply to exports under the O'Conor bill.

Cosmetics to be exported would be required to meet substantially the same basic requirements as drugs and devices under the bill. Thus cosmetics would be required to comply with section 601 setting forth the factors which cause a cosmetic to be deemed to be adulterated; section 602 (a) prohibiting labeling which is false or misleading in any particular; and section 602 (d) prohibiting the use of a container for a cosmetic which is so made, formed, or filled as to be misleading.

The O'Conor bill concludes with two provisos. Under the first it is made clear that the bill does not prohibit any article "from complying with any established legal or pharmaceutical requirements or prevailing tolerances in the foreign country to which it is to be exported." Testimony at the hearings on H. R. 562 showed that there are at least 18 different drug formularies in existence at the present time and that legal requirements for foods and drugs vary from country to country. This proviso makes it clear that a product which meets established foreign requirements will not be prohibited from being exported. The second proviso, which is substantially the same as the proviso in the present section 801 (d), makes all the provisions of the present act applicable to any article which is shipped in interstate commerce though originally intended for export.

The O'Conor bill would prevent the exportation of drugs, devices, and cosmetics which do not meet certain basic requirements. As with foods, these exported articles could not be injurious to health and could not be falsely labeled or packed in a deceptive container. But the regulation of the details of labeling would be left to the country where the product is sold—the only authority, after all, which can formulate requirements which will protect its own consumers. Thus such matters as the requirement in our act that the common or usual name be used on a drug, that the label shall bear adequate directions for use, that drugs shall be labeled and packaged as prescribed in a United States pharmacopeia are not made applicable to exports. Clearly, such regulations can only be drafted by the country where the product is sold in the light of the customs and language of the country, the type of medicine practiced, the formularies in use, the education of the overage consumer, etc.

The O'Conor bill protects the integrity of food, drugs, devices and cosmetics exported from the United States by requiring compliance with certain basic requirements of health and honesty, but there is no attempt to usurp the functions of the governments of the countries where the products are consumed by prescribing detailed labeling for such products. This bill will prevent whatever abuses there may be at the present time in the exportation of American foods, drugs, devices, and cosmetics, without crippling the ability of the American manufacturer to compete in foreign markets.

THE GREAT DECEPTION—ADDRESS BY SENATOR CAPEHART

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD a radio address entitled "The Great Deception," delivered by him on October 2, 1949, which appears in the Appendix.]

DR. JEKYLL AND MR. HYDE—EDITORIAL FROM THE WASHINGTON (IND.) HERALD

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Dr. Jekyll and Mr. Hyde," published in the Washington (Ind.) Herald of September 20, 1949, which appears in the Appendix.]

THE REAL STRUGGLE: THE BATTLE OF IDEAS—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "The Real Struggle: The Battle of Ideas," delivered by him and reprinted in Daughters of the American Revolution magazine for October 1949, which appears in the Appendix.]

THE WELFARE STATE—EDITORIAL BY ALBERT S. GOSS

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "The Welfare State," written by Albert S. Goss, National Grange master, and published in the National Grange Monthly for September, 1949, which appears in the Appendix.]

NOTICE OF HEARING ON NOMINATION OF WALTER C. LINDLEY TO BE JUDGE, UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, October 11, 1949, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Walter C. Lindley, of Illinois, to be judge of the United States Court of Appeals for the Seventh Circuit, vice Sherman Minton, elevated. At the indicated time and place, all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Washington [Mr. MAGNUSON], chairman, the Senator from North Carolina [Mr. GRAHAM], and the Senator from Indiana [Mr. JENNER].

NOTICE OF HEARING ON NOMINATION OF CASPER PLATT TO BE UNITED STATES DISTRICT JUDGE, EASTERN DISTRICT OF ILLINOIS

Mr. MAGNUSON. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Tuesday, October 11, 1949, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Casper Platt, of Illinois, to be United States district judge for the eastern district of Illinois, vice Walter C. Lindley, elevated. At the indicated time and place, all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Washington [Mr. MAGNUSON], the Senator from North Carolina [Mr. GRAHAM], and the Senator from Indiana [Mr. JENNER].

DEATH OF RUSSELL E. WEVER, CUSTODIAN OF THE SENATE OFFICE BUILDING

Mr. CAIN. Mr. President, the Senate lost a good friend and a trusted and highly competent employee last night when Russell E. Wever passed away. He died as he had always lived, quietly and with an abiding confidence and faith in the future.

Known to his wide circle of confidants and acquaintances as Rex, he has been the custodian of the Senate Office Building since 1946. Before that he worked for several years as an assistant to Mr. David Lynn, the Architect of the Capitol. He became Senate Office Building custodian because Mr. Lynn recognized his outstanding capacity and talent for the assignment. It will be a long time before any individual is qualified to render the character of service which was so willingly and graciously provided to all of us and our office staffs by Rex Wever.

Rex Wever was more than merely the custodian for the brick and steel and paraphernalia which comprises the physical characteristics of the Senate Office Building. Rex Wever was a custodian of persons and sought always to care for the needs and wants and pleasures of the many persons whom he served. He liked to do little things which made each day the more pleasant. The warmth of his smile and the utter friendliness of his approach brought keen satisfaction to all those with whom he came in daily contact. If Rex Wever could not fill a request made by any one of us, it was only for the single reason that there was no human way in which to satisfy his constant wish to be of assistance. It can safely and surely be said of Rex Wever, as it can be said of so few, that he loved life and people.

Rex Wever has fully earned a right to the reward he went up above to receive last night. He will be a compliment to those whose company he now keeps.

Though Mrs. Wever's distress and grief will continue to be keen for all time, she can derive a full measure of satisfaction for having been for years the wife of a friendly, talented, and honest man. Our sympathy is extended to Rex Wever's family and our hope, by way of compliment, is that others will aspire, as Rex Wever always did, to give more of themselves than they seek to receive.

ONE HUNDRED AND SEVENTIETH ANNIVERSARY OF DEATH OF GENERAL PULASKI

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement prepared by me in commemoration of the one hundred and seventieth anniversary of the death of the Revolutionary War hero, Brig. Gen. Casimir Pulaski.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, one week from today will mark the one hundred and seventieth anniversary of the death of the Revolutionary War hero, Brig. Gen. Casimir Pulaski.

It seems most appropriate that we pay tribute this year to General Pulaski, the man who led in the fighting for the freedom of three countries.

At the age of 20, Pulaski joined his father in an open revolt against the foreign domination of Poland by Stanislaus II.

When Pulaski's forces were crushed in Poland he fled to Turkey in 1772 and urged that nation to fight against Russian domination.

Again he found his cause defeated and the freedom-loving Pulaski found his way to America where he was welcomed into another fight for freedom.

On October 9, 1779, General Pulaski was mortally wounded during the siege of Savannah. Two days later he died.

It is a duty and a privilege to pay our respects to this hero of freedom whose own native land today is under the very domination against which he fought so valiantly.

CHINA—NOTE TO SOVIET GOVERNMENT—YALTA AGREEMENT

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, an editorial entitled "China and Recognition," published in this morning's New York Times.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CHINA AND RECOGNITION

The Chinese Communist proclamation of a government for China and the prompt Soviet recognition of that regime give additional gravity to the Chinese charges against the Soviet Union in the United Nations. The findings of the United Nations Assembly will necessarily have an important bearing on the question of recognition of the new regime, and it is extremely unlikely that precipitate action will be taken by any nations other than the Soviet satellites before those findings are established.

It is the position of the Chinese Communists, and especially of their apologists in the United States, that they represent a genuine, indigenous revolutionary movement. They assert, and the Soviet Union has now officially concurred in the assertion, that they represent the will of the majority of the Chinese people. They declare that they are in control of a large part of the country, are a working government and are entitled, as such, to international recognition. If all of these claims are taken at their face value it will be difficult for the United States and the United Nations to withhold eventual recognition, however reluctant it may be.

It is the position of the Chinese Government, on the other hand, that the Communist revolution is an instrument of the policy of the Soviet Union. It has been formally charged before the United Nations that the Soviet Union has violated its treaty commitments to China and the spirit of the Charter of the United Nations by giving assistance to the Communist aggression. If the United Nations upholds this charge the recognition of the new regime will be placed in an entirely different light.

The moral, if not the legal, position of the United States is still a commitment to the so-called Stimson doctrine, promulgated in 1932, in which it was stated that this country did not propose to recognize political and territorial changes brought about in contravention of the Pact of Paris. That pact pledged the outlawing of war as an instrument of national policy and the doctrine presumably voiced our determination not to recognize the fruits of aggression. The Pact of Paris has been superseded, in effect, by the Charter of the United Nations, which is likewise a renunciation of aggressive policy and a commitment to peaceful means of international settlement.

The Chinese charge, however, involves an alleged violation of the charter by the Soviet Union and will, therefore, impose upon us, if it is sustained, the moral obligation to reaffirm the Stimson principle or satisfactorily to explain why we have departed from it. The decision of the United Nations, therefore, will have a decisive bearing upon the moral position of the United States. If the Assembly does find that the Chinese revolution was, in part, an act of aggression by a foreign power we shall be obliged to decide whether we can give countenance to it by recognition of the Communist regime.

The Chinese Communists, meanwhile, will be obliged to walk a tightrope. They are already required to pose as a completely Chinese movement, standing on its own merits. In so doing they run the risk of incurring the Kremlin's wrath against Titoism, unless it has all been agreed upon beforehand, and they also run into grave contradiction. It was only a few weeks ago that Mao Tze-tung proclaimed his undying gratitude to the glorious Soviet Union without whose aid and support our victory would have been impossible. But now the Soviet Union has to deny having given that aid and support if its newest puppet state is to hope for even a tolerant reception in the family of nations.

Mr. KNOWLAND. Mr. President, I also ask unanimous consent to have printed in the body of the RECORD the text of the note handed by the Chinese Government to the representatives of the Soviet Union, as it appears in the New York Times of October 4, 1949.

There being no objection, the note was ordered to be printed in the RECORD, as follows:

TEXT OF CHINESE NOTE

The text of the Chinese note to the Soviet Union follows:

"Recognition by the Soviet Union of the bogus regime recently set up in Peiping is a natural culmination of a long series of violations of the Sino-Soviet Treaty of Friendship and Alliance of 1945 of the Soviet Union.

"It constitutes further evidence of Soviet infringement of China's political independence and territorial integrity.

"No stronger proof of this can be furnished than China's charge now pending before the General Assembly of the United Nations. There is thus all the more reason for the case to receive full and immediate attention.

"By the treaty of 1945 the Soviet Union solemnly pledged to recognize the National government as the only government of China and engaged to give the National government moral and material support. In recognizing the regime in Peiping now in rebellion against the National government the Soviet Union not only is tearing the 1945 treaty to pieces, she is committing an act contrary to the recognized principles of international law and practice.

"That the regime set up in Peiping is Soviet-sponsored should now be clear to all the world. It is a puppet regime forced upon the people against their free will and its ideology is alien to Chinese civilization and the Chinese pattern of life.

"The Chinese Government in concluding the treaty (of friendship with Russia) in 1945 hoped the foundation of peace and security in the Far East would be laid. For this reason China always observed all her obligations therefrom, in spite of repeated Soviet violations.

"Recognition of the Peiping regime by the Soviet Union, therefore, not only is an act of aggression against China but also a threat to the peace and security of the Far East.

"The Chinese Government, in view of the utter disregard on the part of the Soviet Union of sanctity of treaty obligations, has decided to sever diplomatic relations with the Soviet Union and is taking steps to recall its diplomatic mission and consular posts in the Soviet Union."

Mr. KNOWLAND. I also ask unanimous consent, Mr. President, to have printed in the body of the RECORD the official State Department release dated February 9, 1946, giving the terms of the Yalta agreement.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

Following is the text of the agreement between the President of the United States, Franklin D. Roosevelt, the Prime Minister of Great Britain, Winston Churchill, and Generalissimo Stalin, signed at Yalta on February 11, 1945. For simultaneous release in London, Moscow, and Washington:

"The leaders of the three great powers—the Soviet Union, the United States of America, and Great Britain—have agreed that in 2 or 3 months after Germany has surrendered and the war in Europe has terminated the Soviet Union shall enter into the war against Japan on the side of the Allies on condition that—

"1. The status quo in Outer Mongolia (the Mongolian People's Republic) shall be observed;

"2. The former rights of Russia violated by the treacherous attack of Japan in 1904 shall be restored, viz:

"(a) the southern part of Sakhalin as well as all the islands adjacent to it shall be returned to the Soviet Union,

"(b) the commercial port of Dairen shall be internationalized, the preeminent interests of the Soviet Union in this port being safeguarded and the lease of Port Arthur as a naval base of the U. S. S. R. restored,

"(c) the Chinese-Eastern Railroad and South Manchurian Railroad which provides an outlet to Dairen shall be jointly operated by the establishment of a joint Soviet-Chinese company, it being understood that the preeminent interests of the Soviet Union shall be safeguarded and that China shall retain full sovereignty in Manchuria;

"3. The Kuril Islands shall be handed over to the Soviet Union.

"It is understood that the agreement concerning Outer Mongolia and the ports and railroads referred to above will require concurrence of Generalissimo Chiang Kai-shek. The President will take measures in order to

obtain this concurrence on advice from Marshal Stalin.

"The heads of the three great powers have agreed that these claims of the Soviet Union shall be unquestionably fulfilled after Japan has been defeated.

"For its part the Soviet Union expresses its readiness to conclude with the National Government of China a pact of friendship and alliance between the U. S. S. R. and China in order to render assistance to China with its armed forces for the purpose of liberating China from the Japanese yoke.

"J. STALIN.
"FRANKLIN D. ROOSEVELT.
"WINSTON S. CHURCHILL.

"FEBRUARY 11, 1945."

Mr. KNOWLAND. Mr. President, I merely wish to say in conclusion that it seems to me, in view of the unilateral violation by the Soviet Union of the Yalta agreement, that this is the time for the Government of the United States to denounce the Yalta pact.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (S. 2522) to stabilize prices of agricultural commodities.

Mr. MURRAY. Mr. President, on behalf of the junior Senator from Minnesota [Mr. HUMPHREY] I submit an amendment to the pending bill and ask that it be printed and lie on the table.

The VICE PRESIDENT. Without objection, it is so ordered.

Two amendments were offered yesterday, and went over until today. Does the Senator from New Mexico wish to indicate which one of those amendments he desires to have considered first?

Mr. ANDERSON. Either one of them.

First I should like to clear up one item. The amendment proposed by the distinguished Senator from South Carolina [Mr. MAYBANK] provided for the inclusion of all expenses and costs of the Commodity Credit Corporation, including interest, storage, and so forth. His amendment would work very well for certain commodities, but we find upon checking that it may not work for others. I was wondering if it was the understanding of the sponsor of the amendment that in the conference it might be possible for the conferees to deal with it and try to accomplish what I am sure was his purpose.

Mr. MAYBANK. Mr. President, my purpose in offering the amendment was to have the amendment apply to the major crops, cotton, wheat, corn, rice, tobacco, and peanuts. It was not intended to apply to perishable crops which could not be stored, and could not be easily handled. I trust the Senator from New Mexico feels as I do. I discussed the question with him. As a former Secretary of Agriculture, he knows the hardships which would be inflicted on the taxpayers and the Government if the Commodity Credit Corporation were allowed to sell the major crops at 90 percent of parity and not even collect storage, warehouse, and other charges.

Mr. ANDERSON. I thank the Senator. That is the point I wished to clear up. In my own mind, at least, the amendment was not necessarily designed to apply to perishable commodities.

Mr. MAYBANK. It was not. It was intended to apply to the major crops.

Mr. ANDERSON. Mr. President, I think it will be satisfactory if the Senator from North Dakota [Mr. YOUNG] offers at this time an amendment on behalf of himself and the Senator from Georgia [Mr. RUSSELL].

Mr. YOUNG. Mr. President, on behalf of the Senator from Georgia [Mr. RUSSELL] and myself I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from North Dakota will be stated.

The LEGISLATIVE CLERK. On page 3, beginning with the word "immediately" in line 6, it is proposed to strike out down to and including the word "effect" in line 8.

Mr. YOUNG. Mr. President, this amendment merely provides that 90 percent of parity shall be mandatory when producers are under either acreage control or quotas, and it applies only to the basic farm commodities.

Mr. President, I wish first to review briefly our past price-support programs, which will require only about 5 minutes, and then I shall speak to the amendment which is proposed.

Mr. President, the distinguished Senator from New Mexico [Mr. ANDERSON] and the members of the Senate Committee on Agriculture and Forestry are to be commended for the work and good thinking they have put into the Anderson long-range farm-price-support legislation, now the pending business before the Senate. It represents a long step forward in the field of long-range price-support legislation. While in my opinion it is far from a perfect bill, it is a great improvement over any previous legislation of its kind. I intend to support it unless more amendments are adopted which will tend to decrease the support level rather than increase it. I have particular reference to the amendment which was adopted yesterday, offered by the Senator from Illinois [Mr. LUCAS], which tends to reduce the support levels.

To my knowledge, the first long-range price-support legislation was enacted in 1938. Briefly, this provided for 52 to 75 percent supports for basic commodities—wheat, cotton, tobacco, corn, rice, and peanuts.

Its parity formula used as a base period 1910 to 1914. These particular years were used because it was thought to be a period when there was a favorable balance between the income of farmers, labor, and industry. It sought to help give farmers the same percentage of the national income as they had during that period.

Price supports from 1938 to the enactment of the Steagall amendment were maintained largely by loans to farmers on the basic commodities. A part of the program was very similar to the present proposal of Secretary Brannan, better known as the Brannan plan.

Through this legislation, the Congress authorized the Secretary of Agriculture to pay—through parity payments— the difference between what the farmer actually received for his basic farm commodities in the market place and what was deemed to be parity or a fair price. While Congress made sizable appropriations to make up this difference, it appropriated only enough money to make full compensation to the farmers in one of these years.

The years that this price-support program was in operation were 1938, 1939, 1940, 1941, and 1942. The last year, 1942, was the only year during this period when Congress appropriated enough to make up this difference I have just pointed out; and this was largely because, as a result of the war, prices of farm commodities had risen to such an extent that only a very small appropriation was necessary fully to compensate farmers. .

I wish to present a few figures on parity payments made to farmers during this period, and the amount appropriated each year for that purpose. These figures were obtained from Secretary Brannan under his signature, dated August 31, 1949. I ask unanimous consent that the full text of his letter and the tables that accompanied the letter be printed at the end of my remarks as part of the RECORD.

The VICE PRESIDENT. Without objection, the letter and tables will be printed as requested.

(See exhibit 1.)

Mr. YOUNG. While these tables give figures on all the basic farm commodities, for the sake of brevity I shall give only figures on the over-all program—that of appropriations necessary to make the full parity subsidy checks for all the basic farm commodities—rather than figures of the parity payments on individual basic farm commodities.

For the first crop year of this program, 1938, the Congress appropriated $211,742,000. It would have required an appropriation of $666,601,631 to pay the parity which was authorized under the legislation. This left a difference of $454,859,631 which the farmers were entitled to under the parity-payment program which they never received. For the year 1938 Congress actually appropriated only 31.8 percent of the amount needed.

For the crop year 1939, to carry out the parity-payment program to farmers would have required an appropriation of $598,550,956. The Congress appropriated for this purpose only $196,761,000, leaving a balance of $401,789,956 which the farmers were entitled to under this program, but never received. These payments for 1939 represented 32.9 percent of the total amount to which the farmers were entitled under this program.

I am giving these figures to indicate what would happen to the farm program if we again adopted a subsidy-payment program such as is now being proposed under another plan.

Mr. THYE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. THYE. The Senator refers to what would happen if the type of legislation which is being proposed were adopted. The Senator does not mean the Anderson bill, does he?

Mr. YOUNG. No. I have particular reference to the Brannan plan.

Mr. THYE. The Senator is referring entirely to the Brannan proposal rather than the Anderson bill?

Mr. YOUNG. Yes.

Mr. THYE. I was afraid the Senator's statement might be misunderstood unless that point were clarified. I understood the Senator to mean the Brannan program, but he spoke as though he meant the Anderson bill.

Mr. YOUNG. I am happy to have that point brought to my attention. The Anderson bill seeks to support prices in the market place through an authorization to the Commodity Credit Corporation to borrow $4,750,000,000 from the Treasury, rather than be dependent upon annual appropriations.

For the crop year 1940, the program would have required a total appropriation of $584,042,337, and Congress actually appropriated $196,908,000, leaving a difference which the farmers were supposed to get under this parity-subsidy program of $387,134,337. The payments made represented only 33.7 percent of the total amount authorized.

For the crop year 1941, when prices on basic farm commodities had risen sharply because of the war, it would have required appropriations in the amount of $212,172,317. Congress actually appropriated $201,719,000, leaving a difference of $10,453,137. In percentage figures this was 95.1 percent of the total amount authorized by law for 1941.

For the crop year 1942, Congress appropriated $159,947,000, which was the total amount authorized by law to meet these parity payments.

It is important to note that for the years 1938, 1939, and 1940, when farmers' net income, largely because of poor prices, was very low, Congress made the smallest appropriations to meet its commitments to farmers.

The fact that Congress for most of this period appropriated only approximately 35 percent of the amount necessary to meet these subsidy payments during the operation of this program, has a great amount of significance should a similar program be adopted in the future. We could expect that the Congress in future years would follow much the same course as it did during the operation of this program.

It is worth noting, Mr. President, that in only one of the years I have mentioned did the Bureau of the Budget even ask for an appropriation from Congress to carry out the provisions of that price-support legislation. It is noteworthy, too, that the Appropriations Committee also took a hand in writing legislation on the price-support program, by inserting limiting provisions of all kinds.

The support program under the act of 1938 was temporarily suspended when the so-called Steagall support-price program went into effect. That was during the war, and its purpose was to provide higher supports to encourage increased production, and to protect farmers against undue loss in the reconversion to peacetime production.

Mr. President, the next great step forward in farm-price-support legislation was the enactment of the so-called Aiken-Hope Act. In contrast to the 52 to 75 percent support levels of the 1938 act, the Hope-Aiken Act provided support levels of 60 to 90 percent of parity, using a new, modernized parity formula. While the act of 1948 provided flexible supports from 60 to 90 percent of parity, it extended the price supports to practically all farm crops, within the discretion of the Secretary of Agriculture. While, unfortunately, this program is often called the 60-percent-support program, it actually gave the Secretary authority to support all farm commodities at 90 percent of parity if he deemed it advisable. In this connection, Mr. President, I wish to quote a paragraph from a letter I received from the Under Secretary of Agriculture, A. J. Loveland, dated January 7, 1949:

> With respect to your question as to whether the Secretary of Agriculture may support all farm commodities at 90 percent of parity if he deems it advisable, the answer is "Yes," except when producers have disapproved marketing quotas.

My question was directed to the provisions of the Hope-Aiken Act.

The act of 1948, more commonly known as the Hope-Aiken Act, was approved almost unanimously by the Senate only a little more than a year ago, with only three Senators voting against it. At that time it had the support of all the major farm organizations.

The Anderson bill now before us, Mr. President, again represents considerable improvement, in my opinion, over the act of 1948. While it, too, authorizes the Secretary of Agriculture to support farm commodities up to 90 percent of parity if he deems it advisable, the great difference between the two programs lies in the fact that the Anderson bill makes mandatory higher support levels and leaves less discretion with the Secretary of Agriculture. It provides support levels from 75 to 90 percent of parity, as compared to 60 to 90 percent in the act of 1948. It makes mandatory support levels for milk and butterfat between 75 and 90 percent of parity. Its mandatory price-support provisions, so far as shorn wool and Irish potatoes are concerned, are comparable to those of the act of 1948. It authorizes support levels of 75 to 90 percent of parity for such major nonbasic storable commodities as oats, barley, rye, flax, pork, beef, eggs, and poultry. It is estimated by many authorities that the more rigid supports in the Anderson bill, together with the inclusion of farm-labor costs in its parity formula, represent an increase of nearly 20 percent in support levels over the act of 1948. This is a great step forward, I believe, but still is not all that the farmer is entitled to.

The Anderson bill presently provides support levels at 90 percent of parity for basic farm commodities for only the first year that they are under acreage control of quotas. In my opinion, rigid 90 percent supports should be mandatory at all times when farmers are under either acreage control or quotas.

It is for that reason that the able Senator from Georgia [Mr. RUSSELL] and I have submitted the pending amendment to require these rigid 90-percent supports when a farmer is under either acreage control or quotas.

In justification of this amendment, I wish to point out that in the Anderson bill now before us, 90 percent of parity under its new parity formula on most basic farm commodities gives price-support levels considerably below 90 percent of parity using the old 1910–14 base-period formula, which has been used in all previous agricultural programs in recent years.

For example, 90-percent supports for wheat under the Anderson bill would make the support price $1.71 a bushel, in contrast to $1.94 under our present program, or a reduction of 23 cents a bushel.

The 90-percent support in the Anderson bill on wheat next year is held to $1.84 because of the 5-percent transitional provision in the bill. For example, the 100-percent parity for wheat under the modernized parity would be $1.90, and the 100-percent parity under the present formula would be $2.15. Since $1.90 is more than a 5-percent reduction from $2.15, the transitional parity for wheat under the Anderson bill would be $2.04; and the support price, at 90 percent of parity, would be $1.84, rather than 90 percent of $1.90, or $1.71.

I do not know whether I make myself clear on this point, Mr. President. I know that many farmers are certainly confused about it. Few realize, when considering price supports, that each of the parity formulas in the various programs to which they apply vary in dollar levels. When speaking of price supports, we take whatever percentage of support is provided, and apply it to the parity formula.

This same reduction in support levels in wheat applies to other basic farm commodities, as well, although in a somewhat lower amount. For example, 90 percent support prices under the Gore bill, our present program, for cotton would be 0.2723 cent per pound. Under the Anderson bill it would be 0.2557 cent, or a reduction of about 10 percent. Ninety percent for corn under the present program is $1.41, and under the Anderson bill $1.36.

There is a somewhat similar drop, Mr. President, also in respect to eggs, potatoes, oats, barley, rye, and particularly oranges. In the case of oranges, our present support program would be dropped from $3.29 a box to $2.05 a box. Because of the transitional provision which prevents a drop in parity of more than 5 percent a year, the support level at 90 percent under the Anderson bill for the first year would be $3.13 a box but, eventually, at the end of the transitional period, the support level for oranges would be $2.05 a box.

Barley is another good example of the drastic drop in parity; I am speaking of full parity now, under the Anderson bill. Our present parity formula at 100 percent calls for $1.50 a bushel, in contrast to $1.24 a bushel under the Anderson bill. To be completely fair, I should point out that the Brannan formula would drop full parity for barley even lower, or to $1.20 a bushel.

Presently the wheat farmers are required to reduce their acreage or production of any given commodity, thereby greatly reducing their income. In my opinion they are entitled to 90 percent of parity, especially under the new lowered support level.

Presently the wheat farmer is required to reduce his acreage 17 percent.

If a wheat farmer also raises corn, which is often the case, he will be required to reduce his corn acreage; and, eventually, if surpluses become sizable, as was the case before the war, the same farmer will undoubtedly be required to reduce his acreage of other important crops, such as oats, barley, and rye.

In many States farmers may produce three or four basic commodities, such as cotton, tobacco, wheat, and corn. Such a farmer would be required to reduce his acreage of all the commodities he produces.

Certainly, under such conditions which greatly reduce income, in order to maintain financial solvency, farmers will have to have 90 percent of parity, particularly should the Anderson bill become law, which, as I previously pointed out, considerably reduces the support levels on these major crops in the United States.

Unless the amendment offered by the Senator from Georgia [Mr. RUSSELL] and myself is adopted, the support levels, after the first year of operation will range from 75 to 90 percent of parity. From a practical point of view—that is with respect to the operations of this price-support program—it is my belief that 90-percent supports when under acreage control or quotas are a must.

For example, farmers are presently required to reduce wheat acreage 17 percent. In all probability most wheat farmers will comply with this directive from the Secretary of Agriculture, largely because they will be assured, under the Anderson bill or our present program—which is represented by the Gore bill passed by the House—90 percent supports for next year's crop.

After the first year of operation of the Anderson bill, if it should become law, the farmer even while under acreage control or quotas would receive a support price ranging from 75 to 90 percent of parity. I doubt very much, Mr. President, whether the great majority of the farmers would comply with the directive of the Secretary of Agriculture to reduce the acreage 17 percent if they were only assured a support price of from 75 to 90 percent of parity. In all probability, there would be great numbers of farmers who would stay outside the program and continue to produce at their present rate—or even at a greater rate.

With our dwindling exports of basic commodities, undoubtedly the surpluses will be so high that under the provisions of the pending bill the support levels probably will range little above 80 percent of parity. Eighty percent of parity will not give to the wheat farmer, I am sure, even the cost of production. This support level, which is a great improvement over prewar years, undoubtedly would prevent a farmer from going into bankruptcy for a few years; but it would certainly not allow him to make the profit to which he is entitled.

Thus, if the farm income should be only sufficiently high to take care of part of the cost of operation, the buying power of the farmers, compared to that of the past few years, would be vastly reduced. This great reduction in purchasing power on the part of farmers would go a long way toward leading the Nation into another depression.

I should like to point out that these support levels would provide a market price of approximately only 50 percent of the price the farmers received for wheat, pork, beef, flax, oats, barley, rye, dairy products, and other products during the war, and until a year ago when prices broke sharply.

To those who believe the farmers were receiving exorbitant prices, I wish to point out that the prices would have been far higher had it not been for export controls and other governmental actions. For example, the Argentine was selling wheat at from $5 to $6 a bushel for a long while after the war, while the United States was selling wheat for a little over $3 a bushel. Through export controls, the United States Government effectively held the price of wheat to a little more than $3 a bushel. The same situation affected many other products. Only in the last year has the executive department of our Government lifted export controls on fats, oils, pork, and many other products. By foreclosing the farmer to the European market, the price has been held to much lower levels than the farmers of many other agricultural nations have been able to receive.

There would be at least some small justification for lowered support levels if there were any prospect of a reduction in prices of the industrial goods which a farmer must buy in large quantities.

As we are discussing the problem in the Senate today, large segments of labor are securing increased wages and benefits which are denied to farmers, such as $100 a month pensions upon retirement.

With these increased labor costs to the manufacturers of farm machinery, and the attitude of the great industries of the United States to maintain exorbitantly high prices for their products at a time when they have record net incomes, there is little likelihood that farm machinery or other industrial goods which the farmer has to buy in large quantities will be reduced in price in the immediate foreseeable future.

After all, Mr. President, it seems to make little difference to the consumers whether wheat is selling for $3.50 a bushel, as it once was, or $2, as it is now. I have yet to find a city in the United States where the price of bread has been reduced even one cent a loaf. The same situation applies to almost every other farm commodity.

Mr. RUSSELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. YOUNG. I yield.

Mr. RUSSELL. The Senator commented on the fact that industrial wages have increased greatly, much more so than has the parity on farm commodities. He has also commented on the security plans being adopted by various concerns employing thousands of industrial laborers, who also secure high wages. I am sure the Senator, when he is considering the disparity between farmers and other groups, does not overlook the fact that the farmer is also not under the present social-security system of the United States.

Mr. YOUNG. I appreciate that remark, coming, as it does, from one who is, I believe, the best friend the farmers have in Congress. The benefits to labor are coming at a time when farm prices have dropped as much as 50 percent. Still, in the farm program we are proposing to give the farmer less than he has had in the past, though labor has had three rounds of wage increases and is now seeking the fourth.

The hearings presently conducted by the Senator from Iowa [Mr. GILLETTE], chairman of the special committee looking into new uses for agricultural surpluses and other problems in agriculture—a committee of which I am proud to be a member—has effectively demonstrated some very obnoxious and unfortunate business practices. During one of the recent hearings, a large milk distributor from New York City testified he was selling milk at 20 cents a quart. He told the committee that his net profits were $26,000,000 last year or approximately 10 percent, even after certain questionable deductions. One of these which I believe is unreasonable is the $150,000-a-year salary for the head of this company, and the $90,000 and $110,000 salaries of his assistants. Farmers are riding no such gravy train.

There are some who think and believe that the farmers are receiving large subsidies from the Government. As a matter of fact, Mr. President, during all the operations of the price-support program, and up until about 2 years ago, there was a net profit to the Government. It is true there have been some rather heavy commitments under the $4,750,000,000 borrowing authority to support farm prices, but this does not indicate that all, or even any large part of this sum, will result in a net loss.

While I am speaking of subsidies, it appears it is not common knowledge that business and labor are receiving far larger subsidies than the farmer. Business is protected by many tariffs.

The newspaper and magazine industries are subsidized by the Postal Department. They receive rates far below the cost to the Government. This yearly subsidy, I am told, exceeds $200,000,000.

The air lines are subsidized by mail contracts to protect them against loss. The rates of power companies and telephone companies are fixed by the Government to guarantee them against loss. Railroads were subsidized by hundreds of millions of dollars worth of land grants and through other methods.

According to Government figures, during the war business was subsidized to the tune of more than $6,000,000,000 to guarantee them against loss. Contrast this to Government operations in the farm price-support field where there was actually a profit to the Government at the close of the war.

Business in general is subsidized through marine shipping rates, and through Government pay for harbor and river development. Business is further helped through subsidies to mining interests. Mr. President, these are only a part of the subsidies which business receives.

Labor, too—while highly organized and able to secure several rounds of wage increases since the war, and other benefits such as pensions—receives large subsidies from the Government. One example of such subsidy comes under retirement benefits, when half the cost is paid by the employee, and half by the Government.

Mr. President, I was very much dismayed and disappointed to hear three Senators yesterday attack the cost to the Government of the farm price-support program. I particularly regretted to hear such statements coming from farm-State Senators.

It is true there have been some rather bad examples of price-support operations, but this can be largely charged to the Congress itself and to the Department of Agriculture. There has been much bad publicity of the potato-support program. I wish to point out that potato growers themselves asked that the support levels be reduced below 90 percent of parity. As Congress failed to act on their request, the Congress can rightly be charged with a part of the responsibility. I believe the Secretary of Agriculture also acted unwisely in this instance in the price-support program.

I may point out again that the basic farm commodities in the amendment the Senator from Georgia [Mr. RUSSELL] and I are sponsoring providing 90-percent supports will not result in excessive expenditures since the production of these commodities is quite easily controlled by either acreage allotments or quotas.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. MUNDT. In view of the statement of the Senator from North Dakota calling attention to the subsidies enjoyed by various branches of industry, such as air lines and ship lines, I think it should be emphasized in the argument that it is just as easy to justify subsidies for agriculture as it is to justify subsidies for ship lines or air lines, because we have repeatedly heard from the Chiefs of Staff that the great agricultural industry contributed not only to winning the war, but it is one of the great contributing factors to maintaining the peace.

Mr. YOUNG. The Senator is exactly correct. I think that in the event of another war the stock piling of wheat will be just as essential as will be that of any other commodity. I may say that we are presently stock piling castor oil. If there should be another war we would probably need the castor oil.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. AIKEN. I wonder if the Senator will clarify the statement which he made a few moments ago to the effect that if the support prices were dropped to 75 or 80 percent acreage allotments would be affected, and now he says that with the support price at 90 percent it would be a comparatively simple matter to control acreage allotments. I wonder if he means that there is less temptation to exceed acreage allotments at the higher price than at the lower price, or what the point is the Senator wishes to bring out?

Mr. YOUNG. Supposing the Anderson bill did not contain a provision such as I have been discussing. I know that so far as the wheat farmers are concerned, many of the larger producers would stay out of the program. The fact that they are assured of 90 percent support if they come under it, will cause most of them to do so.

Mr. AIKEN. But if they did not comply with acreage allotments they would receive no support whatever.

Mr. YOUNG. That is correct.

Mr. AIKEN. Of course, the purpose of the flexible support level is to avoid controls to the maximum extent possible. We are producing in eastern United States and probably in other sections of the country a great amount of wheat, produced by wheat growers who are tempted by the 90 percent guaranty and who would not be tempted by the 80 percent figure. I was told by one grower who had planted a large acreage that he would not have planted any if there had been a lower support price. What we tried to do was to get the production of each commodity back into the areas in which it can be best produced. In the case of wheat there is no State, probably, which excels the State of North Dakota in ability to produce wheat. During the past 3 or 4 years, as I have driven from Washington to Vermont, I have passed thousands of acres of wheat which is produced wholly in response to the urging of the Government and the incentive price offered. The wheat is grown on land which naturally would not otherwise be raising wheat.

Mr. YOUNG. I should like to point out to the able Senator from Vermont that under the Anderson bill, if we have 80 percent supports at the end of the transitional period, which would be in 2 years, the support price of wheat would range around $1.60 a bushel or less. I do not think the farmers in the East would care to produce wheat for $1.60 a bushel.

Mr. AIKEN. I believe it has been estimated that the support price of wheat for 1950, under title II of the 1948 act, would have to be fixed between 82 and 90 percent of transitional parity. I do not recall what that is. I think it is approximately $1.86 a bushel maximum. I believe the Senator has said it could go down to $1.71. I have the feeling that it will be raised slightly, because I suspect that the yield has been slightly overestimated, and there is likely to be a small reduction. But the Secretary would have that range within which to fix the support price for wheat next year. I am not sure that that would discourage the growing of wheat in the eastern areas, even if it were fixed at the very lowest, 82 or 83 percent. But the Secretary has already declared acreage allotments. We hope he will be able to control production without having to resort to quotas. The goal aimed at in 1948 was to reduce Government controls to a minimum, because some Government controls lead to more Government controls. Government controls over agriculture lead to Government controls over something else. We want to get away, so far as we can, from a Government-controlled economy generally. I do not think wheat will be too badly affected next year. The support which it will receive will not be far from 90 percent, under whatever law has been proposed or whatever law is already on the books.

Mr. YOUNG. In my opinion, having been a farmer all my life, rather than to receive a price below the cost of production, a farmer would gladly accept acreage control.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. MUNDT. I wonder if the significance of the point which the Senator is so effectively making does not lie in the single comment of the Senator from Vermont when he said that in the Eastern States areas now raising wheat may go into raising something else, because they are not normally wheat-raising areas. So we must recognize that the flexible support price works differently in different parts of the country. In the East I think it is entirely conceivable that a low support price would discourage a farmer from raising wheat altogether, but in the great wheat-raising areas in North Dakota, South Dakota, and Montana, where the entire agricultural industry is geared to the capacity to raise wheat, if the price is dropped too low the farmer will have to raise all the wheat he can, while a comparatively low price in the East might discourage farmers from raising wheat.

Mr. YOUNG. I believe that is a very good observation.

Mr. AIKEN. Mr. President, if the Senator will yield, let me say that we are trying to encourage conversion to a greater animal industry in this country. The new parity formula raises the parity price of animal products and lowers the parity price of grains somewhat. Those who defend it feel that the result will be not only better dietary levels, more adequate supplies of meats—I am told that round steak is still priced at 90 cents a pound on the market—but it will provide a market for from 4 to 7 bushels of grain where only 1 bushel could be marketed in the form of cereal. I do not think we should depend indefinitely on the occupied areas using our surplus grains as much as they now use them. It has seemed to me for some time that the greatest potential increase in the market for grain lies in our domestic use. If we can market 4 to 7 bushels instead of one, it would contribute to the broadening of the grain market. That is one of the principal objectives we have all been working for. I think we all agree to that.

In the East we have had a good many acres put into wheat and other grains which probably should have remained in pasture, or even woodland. It seems to me that if this program works out, we will have the wheat growing concentrated in the areas best suited to raising wheat, the growing of apples concentrated in the areas best suited to the growing of apples, and the raising of cotton in areas best suited to the growing of cotton. That necessitates adjustment.

Above all else, let us not look for a check from the Government or a loan from the Government as the first line of attack in the battle for farm prosperity.

Let us regard that as the last resort instead of the first resort and work first of all for a decent price in the market place. If we are unable to get that, then let us use the Government loan, or purchase, as the last line of defense. I agree with the Senator from North Dakota, we have to hold that line.

Let us get away from controls as far as we can. I do not want to see the people of North Dakota have to cut their wheat acreage. The cost per bushel goes up very rapidly as acreage is reduced. The Department of Agriculture, or the BAE, has figures showing the effects of the reduction of crops on what they call a model wheat farm, consisting of about 675 acres, of which about 175 or 180 acres is annually planted to wheat. They found that if the acreage were cut 25 percent, which at that time we feared wheat acreage would have to be cut, the over-all cost of operating the farm would be reduced only 10 percent, due to the high depreciation of the mechanized equipment, with which the Senator from North Dakota is very familiar. We have certain fixed costs on the wheat farm now, and other farms, which cannot be reduced when acreage is reduced.

Mr. YOUNG. I would agree with the Senator that that looks good on paper, but my experience is that it does not work out in practical application.

Mr. AIKEN. The BAE found that on the farm referred to raising the normal acreage of wheat, at $1.55 a bushel, the net return to the farmer was a few hundred dollars more than it would have been raising 75 percent of the normal acreage of wheat at $2 a bushel.

Mr. YOUNG. That would apply if the support level of wheat were above the cost of production, but when the support level is reduced below the cost of production, it does not make any difference whether the farmer produces one bushel or a hundred thousand bushels, he is going to lose money.

Mr. AIKEN. The more we reduce below the cost of production the more the farmer loses, but I am using the figures of the BAE as I think they were developed about last January. I am not sure what the date was.

Mr. MUNDT. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield to the Senator from South Dakota.

Mr. MUNDT. If I understand the argument of the Senator from Vermont, the figures from the BAE indicate that the reduction in the cost of producing wheat does not correspond to the number of acres which have been cut.

Mr. AIKEN. That is correct.

Mr. MUNDT. That would constitute a rather strong argument in support of the amendment of the Senator from North Dakota and the Senator from Georgia, because if the costs of producing do not fall correspondingly with the reduction in production, it would tend to justify the 90-percent support level when provisions are in operation requiring reduced production.

Mr. AIKEN. The sequel to the story is that the BAE necessitates controls and a continuous cut in the better wheat areas, because the 90 percent continues the production in the marginal-producing areas.

Mr. MUNDT. The amendment provides that the 90-percent floor becomes operative only at such time as there are in operation either controls or quotas.

Mr. RUSSELL. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield to the Senator from Georgia.

Mr. RUSSELL. The distinguished Senator from South Dakota made one of the points I planned to make when I sought to interrupt the Senator from North Dakota.

The other comment I wish to make is that the Senator from Vermont talks about how distasteful controls are, and how much he dislikes to see controls. I am sure that that feeling is widespread, not only among Members of Congress, but among the farmers themselves. But this amendment is not to take effect until, by the dire force of circumstances, we have been compelled to apply controls. So it has nothing to do with whether we are reluctant to impose controls, because the amendment will not apply unless the controls have actually been imposed.

Mr. AIKEN. Mr. President will the Senator from North Dakota yield so that I may reply to the remarks of the Senator from Georgia?

Mr. YOUNG. I yield.

Mr. AIKEN. The amendment offered by the Senator from North Dakota and the Senator from Georgia would mean permanent 90 percent support of corn, wheat, rice, peanuts, and tobacco. Up until a few months ago it would have meant permanent 90 percent support for cotton also. However, cotton would have acreage allotments wherever quotas are in effect. Tobacco has what amounts to continuing quotas unless voted down by growers.

The reason for my statement is that in the Agricultural Act of 1938 there is a requirement that the Secretary proclaim acreage allotments each year for corn, wheat, rice, and peanuts, and when quotas are in effect acreage allotments would be proclaimed for tobacco and cotton. Therefore the Secretary is required, except in times of national emergency, to proclaim acreage allotments for corn, wheat, rice, and peanuts every year, and for cotton and tobacco when quotas are in effect.

The provisions of the act of 1938 were never repealed. They are on the books today. The Secretary is complying with them, and has already proclaimed acreage allotments for wheat for next year. He will have to do the same for rice, peanuts, and corn. Therefore, under the amendment offered by the Senator from Georgia and the Senator from North Dakota, 90 percent support for those four commodities will be mandatory indefinitely, and not merely for 1 year, or any period of years.

Mr. YOUNG. Mr. President, I am sorry to disagree with my good friend from Vermont, but I do not think that would be the case at all. There may be quotas next year, and the output may be reduced. We may export more, or we may have a poor crop.

Mr. RUSSELL. Mr. President, if the Senator will yield, I do not see that the argument of the Senator from Vermont is applicable at all to the point I made, which was that the amendment would not apply unless there were controls. The Senator has not refuted that statement, I hope.

Mr. AIKEN. No, and I think this is a good time to make the matter plain. If the bill shall be amended as recommended by the Senator from North Dakota and the Senator from Georgia, item 1 on page 3 will read as follows:

> The level of support to cooperators shall be 90 percent of the parity price for a crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect.

Acreage allotments are required to be in effect for four of the basic commodities every year, except that they may be suspended during a period of national emergency. Therefore, the effect of the amendment which is offered will be a permanent 90-percent support for these basic commodities. There is no qualification to that statement. It is correct.

Mr. YOUNG. Mr. President, I should like to point out to the Senator from Vermont that the Secretary of Agriculture may ask for a 25-percent reduction in wheat acreage if he cares to. In my judgment the farmer would rather have that and get the cost of production.

Mr. AIKEN. That is not the point. Even if there is not a normal supply, the Secretary is required to proclaim each year acreage allotments as to the four basic commodities I have named.

Mr. MUNDT. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield.

Mr. MUNDT. The curtailment of the production the Senator envisages occurs each year, depending on the unpredictability of the weather and Mother Nature. But we may have the Secretary asking for a stimulus of production rather than a curtailment.

Mr. AIKEN. Mr. President, will the Senator from North Dakota yield?

Mr. YOUNG. I yield.

Mr. AIKEN. When the supply begins to get lower, 90 percent supports are automatically in effect, and if the supply gets so low as to jeopardize our national security, the Secretary can fix the support at such level above 90 percent as he deems necessary to assure adequate crops. The point I am trying to make is that acreage allotments have to be in effect for four basic commodities every year, regardless of supply, unless suspended by reason of national emergency. Those provisions of the law have been suspended during the war years. This year they are in effect again, and I am sure the Secretary of Agriculture will be glad to tell Senators that he was simply complying with the law when he proclaimed acreage allotments for wheat. It is hoped that acreage allotments will control the wheat surplus. If they do not, the Secretary will have to ask the farmers to vote on quotas.

Mr. YOUNG. Mr. President, I should like to point out with reference to the remarks made by the able Senator from

South Dakota [Mr. MUNDT], what nature does in the way of surpluses; that she did a pretty good job in taking care of my surplus this year. I received just enough to pay my insurance and the taxes on my farm buildings.

Mr. President, the farmer is caught between highly organized labor on the one hand, which does a pretty good job of getting the things it wants, and on the other side by large business monopolies which are reaping tremendous profits at the expense of the farmer and the consumer.

In steel and other industries, there is little competition left, since almost every segment of the steel industry raises its prices straight across the board at the same time.

A fair income to the farmer, which this 90 percent mandatory provision would provide, would go a long way toward stabilizing the economy of this Nation. Certainly we have not forgotten the lessons of the late twenties and early thirties, when the bankruptcy of the farming industry caused a Nation-wide depression.

Farmers are looking for friends to help give them a little security in this economy where free enterprise has practically disappeared—except in his business. In my opinion, farmers are the most independent thinkers in the entire Nation. For the past several years they have sat as referees, so to speak, in the great fight between labor and industry. They have tried to be fair. Sometimes they have voted for Presidents favorable to labor, and at other times for Presidents favorable to industry. What farmers do in the future will determine largely the type of government we will have.

In my opinion, farmers in the Midwest voted in the last election for a Democratic President largely because of the constant attacks made by spokesmen for industrial interests upon the farm price-support programs and other programs which the farmers deemed highly essential to their future security.

While I have been a farmer all my life until I came to the United States Senate, the farmers in my State probably no longer would classify me as an actual farmer. Many of them, I am sure, now rightfully call me a "sidewalk farmer."

Because my entire life was spent on a farm, and because I have experienced years of poverty and adversity, I believe that my thinking and sympathy are still with the farmers; and to a considerable extent I believe I can speak for them.

I have probably ridden tractors more hours than any other member of the Senate. Although there are some Members of the Senate who were formerly in the dairy business, I believe I have had more cows' tails wrapped around my ears in fly time than any other Senator.

I am sure that I have custom threshed more hours than all the rest of the Members put together, and during the years of custom threshing no doubt spike-pitched more hours than any other Senator. I doubt if more than a dozen Members of the Senate even know what spike-pitching means.

Unless the farmer is given assurance of at least the cost of production under the provisions of this bill, the farmer will not only lack the opportunity which he deserves to sell at a fair price his farm commodities, which, after all, represent the fruits of his labor, but, in my opinion, we shall be headed for another depression.

As I view the farm vote in the last election, I am certain that there was no mandate to reduce price-support levels. On the contrary, the mandate was to increase these levels of support.

My observations at the Republican farm conference held recently in Sioux City, Iowa, were that the farmers there, while willing to accept some flexibility in a farm price-support program, were not thinking of lower support levels, and particularly when under either acreage control or quotas.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point as a part of my remarks a table prepared by the Department of Agriculture giving price-support levels under the various proposals now before Congress.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Specified commodities: Estimated maximum support levels for 1950 based on parity index for July 15, 1949, and estimated average prices received by farmers, 1940–49

Commodity	Unit	90 percent present parity (Gore bill)	90 percent title II 1948 act (Aiken Act)		90 percent title II 1948 act including wage rates [1] (Anderson plan)		Income support standard (Brannan plan)
			Including transitional [2]	Excluding transitional [3]	Including transitional [2]	Excluding transitional [3]	
		(1)	(2)	(3)	(4)	(5)	(6)
Basic commodities:		*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
Wheat	Bushels	1.94	1.84	1.62	1.84	1.71	1.86
Corn	do	1.41	1.34	1.29	1.36		1.45
Cotton	Pounds	.2723	.2587	.2418	.2587	.2557	.2776
Rice	Bushels	1.78	1.96		2.07		2.24
Peanuts	Pounds	.105	.100	.081	.100	.085	.0937
Tobacco:							
Flue-cured	do	.422	.428		.453		.487
Burley	do	.410	.435		.460		.490
Nonbasic commodities:							
Butterfat	do	.578	.586		.657		.663
Milk, wholesale	Hundredweight	3.51	3.69		4.09		4.19
Hogs	do	15.90	16.60		17.50		18.80
Eggs	Dozens	.472	.448	.400	.448	.423	.454
Chickens	Pounds	.250	.257		.272		.288
Flaxseed	Bushels	3.71	3.78		3.99		4.27
Soybeans	do	2.11	2.24		2.37		2.52
Beans, dry edible	Hundredweight	7.40	7.44		7.87		8.38
Potatoes	Bushels	1.61	1.53	1.40	1.53	1.47	1.57
Beef cattle	Hundredweight	11.90	14.70		15.60		16.70
Lambs	do	12.90	15.80		17.00		18.20
Oats	Bushels	.877	.833	.731	.833	.773	.818
Barley	do	1.36	1.29	1.08	1.29	1.14	1.21
Apples	do	2.11	2.31		2.44		2.59
Wool	Pounds	.402	.446		.471		.492
Oranges	Boxes	3.29	3.13	1.94	3.13	2.05	2.06

[1] Adjusted base prices for beef cattle, lambs, milk, and butterfat include wartime subsidy payments. Farm wage rates combined with the present parity index. Farm wage rates are weighted 7.8 percent and the present parity index is weighted 92.2 percent.

[2] Transitional parity prices for 1950 are 95 percent of parity prices according to the present formula. Transitional parity prices would apply for wheat, corn, cotton, peanuts, eggs, potatoes, oats, barley, and oranges in column 2. For all these commodities except corn transitional parity prices also apply in column 5.

[3] Prices appear in these columns only for those commodities for which the transitional parity price is higher than the parity price according to the new formula. The transitional parity prices appear in columns 2 and 4. Prices in columns 3 and 5 are parity prices according to the new formulas disregarding the transitional feature.

Mr. YOUNG. Also, Mr. President I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a news story I have prepared which gives a detailed analysis of the various price-support programs now being proposed—the Gore bill, Brannan plan, Aiken Act of 1948, and the Anderson bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Farm-price-support legislation is probably among the most complicated and difficult pieces of legislation for lawmakers as well as the general public to understand. As a result, most farmers who request 90- or 100-percent supports rarely indicate under which program they desire this support level. Since all of the four price-support plans use a different parity formula, it is obvious that 100-percent-support levels under one formula mean wholly different support prices than under another formula.

For example, under the Brannan plan, 100-percent supports for wheat are 10 cents a bushel lower as of September 1, 1949, than our present 90-percent-support program. To help give a better understanding of price-support levels, I am presenting a brief analysis of the four different plans and the support levels they seek to provide.

To determine what support price would be attainable, it is necessary to apply the percentage support under the provisions outlined below to the parity price formula to which it is applicable. It is important, too, in calculating supports, to remember that both the Anderson plan and the Aiken Act have a transitional parity-price provision which prevents a drop in the parity price of not more than 5 percent a year in changing from the present formula.

For example, the parity price for wheat under the modernized parity formula would be $1.90 and the parity price under the present formula of the AAA Act of 1938 would be $2.15. Since $1.90 is more than a 5-percent reduction from $2.15, the transitional parity price for wheat under the Anderson bill would be $2.04 and the support price—at 90 percent of parity—would be $1.84 rather than 90 percent of $1.90, or $1.71.

With the wide flexibility of provisions in all the price-support programs, it is obvious

that the level of support, with the exception of a few basic commodities, is determined largely by the attitude of the Secretary of Agriculture and the amount of money made available by Congress for this purpose.

Important, too, is the degree of efficiency in which he operates the price-support program; how much advantage he takes of ECA and other appropriations to expand exports; his alertness in finding foreign markets for surpluses; the use he may make of legislation to prohibit excessive imports of farm commodities when they are interfering with the price-support program; and the amount which tariffs are lowered to permit a flood of cheaply produced foreign agriculture commodities.

The following analysis was prepared with the assistance of a staff Member of the Senate Agriculture Committee, and the legislative counsel of the United States Senate:

"ANDERSON BILL

"(Permanent legislation)

"(See Anderson parity formula)

"The Anderson bill provides:

"1. Mandatory price supports for the basic commodities, wheat, corn, cotton, tobacco, rice and peanuts, for the first year when under either acreage allotments or marketing quotas at 90 percent of parity, and in all other years between 90 and 75 percent, the minimum varying within such limits as the supply varies from 102 (108 in the case of peanuts and cotton) to 130 percent of normal supply. The Secretary of Agriculture would have authority to set the support at 90 percent or at any level down to the minimum in the case of any basic of nonbasic commodity.

"2. Mandatory price supports for shorn wool and Irish potatoes between 60 and 90 percent of parity. In the case of wool other provisions would assure certain 90 percent supports for several years.

"3. Mandatory price supports for whole milk and butterfat between 75 and 90 percent of parity.

"4. Oats, barley, rye, flax and other storable nonbasics to be supported at between 75 and 90 percent of parity, and support is mandatory at such levels whenever production controls are in effect.

"5. Pork, beef, eggs, and poultry to be supported at between 75 and 90 percent of parity.

"GORE BILL

"(1-year extension of present program only)

"(Use Gore parity formula)

"The Gore bill provides:

"1. Mandatory price supports for the basic commodities, wheat, corn, cotton, tobacco, rice, and peanuts, at 90 percent of parity for the 1950 crop.

"2. Mandatory price supports for milk and its products, hogs, chickens, and eggs at 90 percent of parity during 1950.

"3. Mandatory price supports during 1950 for turkeys, Irish potatoes, flaxseed, soybeans and other Steagall commodities at not less than 60 percent of parity and not more than the level at which the commodity was supported in 1948.

"4. All other commodities to be supported between 0 and 90 percent of parity at the discretion of the Secretary.

"AIKEN ACT

"(Permanent legislation)

"(Use Aiken parity formula)

"The Aiken Act provides:

"1. Mandatory price supports for the basic commodities, wheat, corn, cotton, tobacco, rice, and peanuts, between 90 and 60 percent of parity, the minimum varying within such limits as the supply varies from 70 to 130 percent of normal supply. Whenever acreage allotments or marketing quotas are in effect, the support level would be increased 20 percent, which would make the minimum level no lower than 72 percent in actual operation. The Secretary has ruled that if he deems it advisable, he can set the level of support at 90 percent in any year, but in no event can the level be set at less than the minimum provided.

"2. Mandatory price supports for shorn wool and Irish potatoes between 60 and 90 percent of parity. Other conditions of support same as Anderson bill.

"3. All other nonbasics including rye, barley, oats, flax, eggs, poultry, dairy products, beef, and pork to be supported between 0 and 90 percent of parity, at the discretion of the Secretary.

"4. Allows perishable farm commodities to be supported by subsidy payment to farmers but limited by the funds it may use for that purpose.

"BRANNAN PLAN

"(Permanent program)

"(Use Brannan parity formula)

"The Brannan plan provides:

"1. Mandatory price supports for the basic commodities, wheat, corn, cotton, tobacco, whole milk, eggs, chickens, hogs, beef cattle, and lambs, at 100 percent of parity (or the income-support standard). The support price of whole milk, eggs, chickens, hogs, beef cattle, and lambs may be reduced by not more than 15 percent at the discretion of the Secretary to maintain proper feed ratios.

"2. All other agricultural commodities can be supported from 0 to 100 percent of parity at the discretion of the Secretary.

"In addition, the Brannan plan limits price supports to individual farms to 1,800 units or approximately $20,000. Any production above that limit would be ineligible for support.

"3. Allows unlimited practice of supporting perishables by subsidy payment. Secretary Brannan's many statements to the Senate Agriculture Committee and public statements make plain his purpose to allow prices of perishable commodities to drop to any level the supply-and-demand market would provide and make up the difference to the farmers by a subsidy check which would be subject to yearly appropriations by Congress. The major perishables coming under this program would be pork, beef, dairy products, poultry, potatoes, vegetables, and fruits."

The following table was prepared by the United States Department of Agriculture:

Estimates of 100-percent parity for selected commodities under various alternative plans [1]

Commodity	Unit	100 percent parity under—			
		Aiken (title II), Public Law 897	Anderson plan, S. 2522 [2]	Brannan plan support standard	Gore bill, H. R. 5345
(1)	(2)	(3)	(4)	(5)	(6)
Wheat	Bushel	[3] $1.80	[3] $1.90	$1.84	$2.15
Corn	do	[4] 1.40	1.49	1.44	1.56
Butterfat	Pound	.642	.716	.658	.639
Milk	Hundredweight	4.06	4.48	4.16	3.89
Hogs	do	18.10	19.20	18.60	17.70
Eggs	Dozen	[5] .439	[5] .465	.450	.522
Chickens	Pound	.278	.295	.285	.277
Flaxseed	Bushel	4.13	4.37	4.23	4.11
Potatoes	do	[6] 1.55	1.64	1.57	1.78
Beef cattle	Hundredweight	16.20	17.30	16.60	13.20
Lambs	do	17.60	18.90	18.10	14.30
Oats	Bushel	[7] .792	[7] .838	.812	.970
Barley	do	[8] 1.17	[8] 1.24	1.20	1.50
Wool	Pound	.479	.507	.491	.445

[1] Based upon index of prices paid, including interest and taxes, as of Sept. 1, 1949, and estimate of 1940–49 average prices received by farmers, where appropriate.

[2] Based upon index of prices paid, including interest, taxes, and hired farm wage rates, as of Sept. 1, 1949, and estimate of 1940–49 average prices received by farmers, where appropriate.

[3] Transitional parity price of $2.04 (95 percent of $2.15) would apply.

[4] Transitional parity price of $1.48 (95 percent of $1.56) would apply.

[5] Transitional parity price of $0.496 (95 percent of $0.522) would apply.

[6] Transitional parity price of $1.69 (95 percent of $1.78) would apply.

[7] Transitional parity price of $0.922 (95 percent of $0.970) would apply.

[8] Transitional parity price of $1.42 (95 percent of $1.50) would apply.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. AIKEN. May I ask the Senator which table he expects to place in the RECORD? There were two tables issued by the Department of Agriculture, one showing the best deal possible for the farmers under all these plans, including the 1948 act and the Anderson plan, and the other table showing the worst possible deal the farmers could receive under the Anderson bill and the Agricultural Act of 1948. I am wondering which table the Senator is placing in the RECORD.

Mr. YOUNG. I am pleased to inform the Senator from Vermont that I am inserting in the RECORD the table which Secretary Brannan presented to the Committee on Agriculture and Forestry, showing 90-percent support under all four programs; also a table which I have recently received from the Department of Agriculture showing 100-percent parity under all four proposals.

Mr. AIKEN. I thank the Senator for the information. Having seen so many different tables come from the Department of Agriculture, I wanted to make sure which one was going in the RECORD.

Mr. GILLETTE. Mr. President, will the Senator yield to me for a very brief statement?

Mr. YOUNG. I yield.

Mr. GILLETTE. In the early part of the Senator's remarks he alluded to some work which was being done by a subcommittee in connection with the investigation of the cost of the spread, which the general public to a large extent was ascribing to the farmers because of this subsidy program. The Senator also alluded to the fact that the testimony before the committee, of which he is an honored member, showed that one company, a milk company, had earned 10 percent in the previous year, after deduction of salaries running from $90,000 to $150,000 for some of its top officers.

Mr. YOUNG. Those were net profits.

Mr. GILLETTE. I wonder if the Senator would allow me at this point to refer to some supplementary figures which

were received by me this morning for the purpose of inclusion in the record of our hearings.

Mr. YOUNG. I should appreciate it very much if the able Senator from Iowa would insert them in the RECORD.

Mr. GILLETTE. This material came from the Beatrice Food Co., of Chicago. In a report which was made to the subcommittee that company reported an increase, after all the expenses to which reference has been made, from $3,838,000 plus, according to its financial statement for 1945, to $5,902,000 for 1949, or almost 60 percent. As the Senator will recall, the subcommittee asked the witnesses to detail the increase, and this report came to me in the mail this morning for inclusion in the hearings.

Office salaries were increased between 1945 and 1949 from $2,281,000 plus to $3,445,000-plus, or an increase of more than $1,000,000. In addition, salaries of officers and directors were increased from $264,700 to $365,178, or an increase of more than a third in 4 years in office salaries, and also salaries of the directors. This, of course, explains why there was a 60-percent increase in the administrative expenses of this one company, which is reflected in the cost to the consumer, and which, in the consumer's mind, is largely attributable to the so-called excessive subsidies to the farmer.

I thank the Senator for giving me this opportunity.

Mr. YOUNG. I appreciate having the able Senator from Iowa make these remarks, because I believe they are very appropriate in connection with the legislation which we are considering. It is of utmost concern, not only to consumers, but to the farmers as well, to note the great spread between what the producer receives and what the consumer has to pay. I am happy that the distinguished Senator from Iowa has decided to continue the hearings next January, when we hope to do a very thorough job of going into the matter of exorbitant profits on foods, to the misery of the poor people and the disadvantage of the farmer.

Mr. THYE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. THYE. The company which the able Senator from Iowa mentioned is a fluid milk marketing company, is it not?

Mr. GILLETTE. If the Senator from North Dakota will yield to me, I will say that it is not solely that. Its activities cover fluid milk marketing, and also the marketing of cheese, butter, and soybean processed articles, as well as various other commodities.

Mr. THYE. But the major operations are in fluid milk marketing. The surpluses coming from the producers during the flush period of the year are diverted into manufactured products. The cheese and soybean products are a sort of side line. I think the major operation is in fluid milk.

The reason I make mention of this is so that we may not becloud the fact that the dairy producer who is dependent upon the manufacture and sale of his product in the form of butter and powdered milk receives no such profits as are indicated in the great fluid milk centers. The butter producer is absolutely confronted with a depressed market. So is the powdered milk producer. However, the producer who is fortunate enough to be in an area near a large metropolitan center such as Washington or Boston, or other such centers up and down the seaboard or in the Midwest, is the one who has been receiving what might be called inflated dairy prices. Those prices are not received by the producer who is dependent upon the sale of butter as the outlet for his milk production.

So I wish to be certain that it is made plain in the RECORD that although the enormously high prices paid in metropolitan centers are reflected in the prices paid to what may be called milk distributors or companies engaged in milk distribution, that does not necessarily mean that the producers of milk for butter sales and powdered milk sales are the ones who are enjoying such high prices. In the last year the Midwest has been suffering depressed powdered milk prices and depressed butter prices; but the price of the quart of milk which is offered in the big metropolitan fluid milk market looks exceptionally high to the man who is selling his dairy products to the manufacturer of butter and powdered milk.

Mr. GILLETTE. Mr. President, will the Senator from North Dakota permit me to impose a little further on his time, so that I may make a further comment?

Mr. YOUNG. Certainly.

Mr. GILLETTE. Of course, there is some merit in what the distinguished Senator from Minnesota has said. My only purpose in alluding to the figures which were submitted to me this morning was to show their interpretation of the increased costs of administration, which the witnesses had testified to before the committee, and about which we asked them to detail. In fairness to the Beatrice Foods Co. I may say to the Senate that, as the Senator well knows, the figures which have been presented were the ones which came this morning; but at our previous hearing we heard the representatives of the National Dairy Co., of the Borden Co. and of the Beatrice Co., who testified regarding a somewhat similar situation. I did not want any deduction drawn that this company alone is the one that is responsible. All the companies whose representatives have appeared before us have shown a similar situation, and their situation is one which in my opinion does not at all justify the current belief in regard to margin of profit which the public ascribes to the subsidy paid to the farmers.

Mr. YOUNG. I thank the Senator.

Mr. President, I yield the floor.

EXHIBIT 1

DEPARTMENT OF AGRICULTURE,
Washington, August 31, 1949.

Hon. MILTON R. YOUNG,
United States Senate.

DEAR SENATOR YOUNG: This is in further reply to your letter of August 3, requesting detailed information on parity payments made under section 303, title III, of the Agricultural Adjustment Act of 1938. I am enclosing the series of tables which you requested. The tables have been prepared covering the programs which applied to the 1938–42 crops of the basic commodities.

You will note that item 9 in your letter has been subdivided in the tables to indicate the additional amount that would have been necessary to bring the returns to cooperators up to the full parity prices as well as the total amount that would have been necessary to cover the full difference between the price received plus other payments and the parity prices.

These tables were prepared from the dockets which authorized the parity payment programs and utilize the information on prices received, parity prices, payments, etc. that was available at the time the dockets were prepared. There have been revisions in some of the data but for your request it seemed desirable to use the same data that were actually used in the original determination.

The total amounts indicated are mainly the amounts that would have been necessary to bring returns to cooperators up to full parity prices. For the 1941 and subsequent fiscal years the appropriation act provided that parity payments could be made to producers who exceeded their allotments but that the rate of payment should be reduced by 10 percent for each 1 percent or fraction thereof by which the acreage planted to the commodity is in excess of such allotment. Payments to noncooperators were undoubtedly relatively small, however. The amounts necessary to bring returns on the total production of all producers up to full parity would have been somewhat larger.

For your information, the appropriation acts contained special directions regarding these payments. The appropriation acts for the 1939 and 1940 fiscal years provided that the rate of payment should not exceed the amount by which the average price received was less than the 75 percent of the parity price. Neither for these 2 years nor for fiscal year 1941 did the acts provide for taking payments under the Soil Conservation and Domestic Allotment Acts into account in the determination of the rate of parity payments.

For fiscal 1942 the parity payment could not exceed the amount by which the sum of the basic-loan rate or the average farm price, whichever was higher, plus the agricultural-conservation program payment, was less than the parity price.

For fiscal 1943, the unobligated balances from the 1941 and 1942 fiscal years were reappropriated. In addition, the Secretary was authorized to make such additional commitments as were necessary to provide for full parity payments for the crop year 1942. The 1944 fiscal year appropriation act contained an item of $170,281,000 to carry out the commitment made under the 1943 act.

The parity payment budget requests and the actual appropriations for the fiscal years were as follows:

Parity payments—budget estimates and amounts appropriated

	Budget estimates	Appropriation
Fiscal year—		
1939		$212,000,000
1940		225,000,000
1941		212,000,000
1942	$49,866,160	212,000,000
1943		(1)
1944	193,623,000	170,281,000

[1] Unobligated balance estimated at $5,652,901 reappropriated for 1943.

Very truly yours,

CHARLES F. BRANNAN,
Secretary.

Specified commodities: Data on parity payments under sec. 303, title III, of the Agricultural Adjustment Act of 1938

1938 CROPS

Item	Wheat, per bushel	Corn, per bushel	Cotton, per pound	Rice, per hundredweight	Tobacco				Total, all items
					Flue-cured (11–14), per pound	Fire-cured (21–24, 35–37), per pound	Cigar (41), per pound	Other cigar (42–44, 46, 51–55), per pound	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1) Season average price received by farmers	$0.534	[1] $0.473	$0.086	$1.340	$0.224	$0.085	$0.150	$0.112	
(2) Payments other than parity	.120	.100	.024	.125	.010	.005	.010	.010	
(3) Sum of (1) and (2)	.654	.573	.110	1.465	.234	.090	.160	.122	
(4) Parity price	1.122	[1] .722	.157	2.289	.182	.098	.106	.141	
(5) Difference between parity price and price received plus "other payments" (4) minus (3)	.468	.149	.047	.824		.008		.019	
(6) Parity payment	.110	.060	.016	.120					
(7) Difference between parity payment and amount which would have been required to equal difference between parity price and price received plus "other payments" (5) minus (6)	.358	.089	.031	.704					
(8) Total sum of parity payments [2]	53,614,000	60,131,000	96,195,000	1,802,000					$211,742,000
(9) Sum which would have been required to equal the difference between parity price and price received plus "other payments": (a) Additional amount	199,380,940	85,787,324	159,834,032	9,857,335					454,859,631
(b) Total (8) plus (9a)	252,994,940	145,918,324	256,029,032	11,659,335					666,601,631
(10) Sum of parity payments as a percent of total required to equal the difference between parity price and price received plus "other payments" (a) (8) divided by 9 (a)	21.2	41.2	37.6	15.5					31.8

[1] Price in North Central States.

[2] Based on 1938 crop but paid in 1939 fiscal or program year.

1939 CROPS

(1) Season average price received by farmers	$0.676	[2] $0.523	$0.0890	$1.718	$0.151	$0.0900	$0.120	$0.156	
(2) Payments other than parity	.170	.090	.0180	.090	.008	.0126	.010	.010	
(3) Sum of (1) and (2)	.846	.613	.1070	1.808	.159	.1026	.130	.166	
(4) Parity price	1.132	[2] .730	.1587	2.313	.182	.098	.107	.142	
(5) Difference between parity price and price received + "other payments" (4) − (3)	.286	.117	.0517	.505					
(6) Parity payment	.100	.050	.0155	.093					
(7) Difference between parity payment and amount which would have been required to equal difference between parity price and price received + "other payments" (5) − (6)	.186	.067	.0362	.412					
(8) Total sum of parity payments [3]	55,884,000	43,826,000	95,752,000	1,299,000					$196,761,000
(9) Total sum which would have been required to equal the difference between parity price and price received + "other payments": (a) Additional amount	106,048,272	65,210,327	224,115,105	6,416,252					401,789,956
(b) Total (8) + (9a)	161,932,272	109,036,327	319,867,105	7,715,252					598,550,956
(10) Sum of parity payments as a percent of total required to equal the difference between parity price and price received + "other payments" (a) (8) divided by (9a)	34.5	40.2	29.9	16.8					32.9

[1] Commercial.

[3] Based on 1939 crop but paid in 1940 fiscal or program year.

1940 CROPS

(1) Season average price received by farmers	$0.667	[3] $0.610	$0.0938	$1.7386	$0.161	$0.0930	$0.1250	$0.132	
(2) Payments other than parity	.081	.090	.0144	.0585	.009	.0108	.0054	.009	
(3) Sum of (1) and (2)	.748	.700	.1082	1.7965	.170	.1038	.1304	.141	
(4) Parity price	1.132	[3] .730	.1587	2.313	.185	.1050	.1090	.142	
(5) Difference between parity price and price received plus "other payments" (4) minus (3)	.384	.030	.0505	.5165	.015	.0012		.001	
(6) Parity payment	.100	.050	.0138	.2000	.006	.0020		.007	
(7) Difference between parity payment and amount which would have been required to equal difference between parity price and price received plus "other payments" (5) minus (6)	.284	−.020	.0367	.3165	.009	−.0008		−.006	
(8) Total sum of parity payments [4]	58,226,000	43,915,000	87,706,000	2,481,000	1,832,000	595,400		2,152,600	$196,908,000
(9) Total sum which would have been required to equal the difference between parity price and price received plus "other payments": (a) Additional amount	162,433,800	−18,896,926	234,478,153	3,948,340	5,703,736	−47,981		−484,785	387,134,337
(b) Total (8) plus (9a)	220,659,800	25,018,074	322,184,153	6,429,340	7,535,736	547,419		1,667,815	584,042,337
(10) Sum of parity payments as a percent of total required to equal the difference between parity price and price received plus "other payments" (a) (8) divided by (9a)	26.4	175.5	27.2	38.6	24.3	108.8		129.1	33.7

[3] Commercial.

[4] Based on 1940 crops but paid in 1941 fiscal or program year.

Specified commodities: Data on parity payments under sec. 303, title III, of the Agricultural Adjustment Act of 1938—Continued

1941 CROPS

Item	Wheat, per bushel (1)	Corn, per bushel (2)	Cotton, per pound (3)	Rice, per hundredweight (4)	Tobacco: Flue-cured (11–14), per pound (5)	Tobacco: Fire-cured (21–24, 35–37), per pound (6)	Tobacco: Cigar (41), per pound (7)	Tobacco: Other cigar (42–44, 46, 51–55), per pound (8)	Total, all items (9)
(1) Season average price received by farmers	[1] $0.980	[1] $0.753	$0.1680	$2.980	$0.281	$0.140	$0.132	[7] $0.155	
(2) Payments other than parity	.099	.055	.0120	.024	.005	.013	.004	[7] .006	
(3) Sum of (1) and (2)	1.079	.808	.1800	3.004	.286	.153	.136	[7] .161	
(4) Parity price	1.221	.925	.1756	2.591	.250	.125	.130	[7] .168	
(5) Difference between parity price and price received plus "other payments" (4)—(3)	.142	.117	—.0044	—1.413	—.036	—.028	—.006	[7] .007	
(6) Parity payments	.135	.111						[7] .007	
(7) Difference between parity payment and amount which would have been required to equal difference between parity price and price received plus "other payments" (5) minus (6)	.007	.006						[7] .000	
(8) Total sum of parity payments [6]	79,741,000	121,385,000						[7] 593,000	$201,719,000
(9) Total sum which would have been required to equal the difference between parity price and price received plus "other payments:" (a) Additional amount	4,091,318	6,361,819							10,453,137
(b) Total (8) plus (9a)	83,832,318	127,746,819						[7] 593,000	212,172,317
(10) Sum of parity payments as a percent of total required to equal the difference between parity price and price received plus "other payments" (a) (8) divided by (9a)	95.1	95.0							95.1

[1] Commercial. [5] Loan rate. [6] Based on 1941 crops but paid in 1942 fiscal or program year. [7] Excluding type 46.

1942 CROPS

(1) Season average price received by farmers	[1] $1.140	[1] $0.857	[5] $0.1888	$3.578	$0.384	$.171	$.137	[7] $0.187	
(2) Payments other than parity	.099	.055	.0120	.024	.005	.013	.004	[7] .006	
(3) Sum of (1) and (2)	1.239	.912	.2008	3.602	.389	.184	.141	[7] .193	
(4) Parity price	1.376	[8] .984	.1916	2.838	.283	.137	.143	[7] .203	
(5) Difference between parity price and price received plus "other payments" (4) minus (3)	.137	.072					.002	[7] .010	
(6) Parity payments	.137	.072					.002	[7] .010	
(7) Difference between parity payments and amount which would have been required to equal difference between parity price and price received plus "other payments" (5) minus (6)									
(8) Total sum of parity payments [10]	80,774,000	78,284,000				889,000			$159,947,000
(9) Total sum which would have been required to equal the difference between parity price and price received plus "other payments": (a) Additional amount	0	0				0			0
(b) Total (8) plus 9 (a)	80,774,000	78,284,000				889,000			159,947,000
(10) Sum of parity payments as a percent of total required to equal the difference between parity price and price received plus "other payments" (8) divided by (9a)	100.00	100.00				100.00			100.00

[1] Loan rate. [7] Excluding type 46. [8] North Central States. [9] Average price through Mar. 15, 1943. [10] Based on 1942 crops but paid in 1943 fiscal or program year.

On request of Mr. YOUNG, and by unanimous consent, the following remarks made during the course of his speech were ordered to be transposed to this point in the RECORD:

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. THOMAS of Oklahoma. Due to the fact that the subcommittee of the Appropriations Committee handling the military appropriations bill is scheduled to meet at 1:30 o'clock today, and inasmuch as that bill carries about $15,000,000,000, and it is important that the bill be finally acted upon, I now ask that I and the members of that subcommittee may be excused from attendance on the session of the Senate from 1:30 o'clock this afternoon and for the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as I will not be present in the Senate after 1:30, I desire to present a small amendment for the information of the Senate. The amendment is very simple. I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

SEC. —. That in order to prevent the waste of food commodities acquired through price-support operations and in danger of loss through deterioration or spoilage and to assist needy persons, the Secretary of Agriculture and the Commodity Credit Corporation are directed to make such commodities available at no cost to the Bureau of Indian Affairs, to school-lunch programs when approved by the Secretary, and to State and local welfare organizations for the assistance of needy Indians and other needy persons.

Mr. THOMAS of Oklahoma. Mr. President, I have a report from the Department of Agriculture showing the quantities of food products which have been acquired under the support-control program. I ask unanimous consent that the report and the letter accompanying it be printed as a part of my remarks at this point in the RECORD.

There being no objection, the report and letter were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, August 5, 1949.

Hon. ELMER THOMAS,
Chairman, Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR THOMAS: This refers to your letter of July 26, 1949, and subsequent telephone advice, in which you requested certain data on stocks of commodities held by the Commodity Credit Corporation for use by the Committee on Agriculture and Forestry.

The following tabulations are enclosed:

1. "Price support inventories," in which are listed the inventories as recorded on the books of the Corporation as of May 31, 1949, together with the quantities and cost values of the commodities which it was estimated were available for sale as of July 29, 1949.

2. "Price support loans outstanding as of May 31, 1949," which indicates the position of the Corporation in its loan programs on that date and includes loans held by lending agencies under guaranty to purchase by the Corporation.

Every effort is made to dispose of commodities acquired in price-support operations on a basis which will not affect current market prices to the detriment of producers. Of the commodities listed, the following have been declared surplus agricultural commodities under section 112 (e) of the Foreign Assistance Act of 1948: Prunes, raisins, dried eggs, flax fiber, flaxseed, linseed oil, potato starch, hay and pasture seed (Alyce clover), turpentine, and wool.

Major problems concerning the disposition of commodities held are being encountered in flaxseed and linseed oil, and in dried eggs. The following tabulation indicates our operations under the 1948 price-support program on flaxseed and linseed oil:

	Flaxseed	Linseed oil
	Thousand bushels	*Thousand pounds*
Direct acquisitions	26,000	313,800
Acquisitions through conversion		77,829
Total acquisitions	26,000	391,629
Sales:		
For export	4,099	8,940
Domestic commercial	715	2,638
For conversion to oil	3,991	
Total sales	8,805	11,578
Inventory held July 29, 1949	17,195	380,051

We have been converting flaxseed to linseed oil to release elevator space for new crop grains and oilseeds and because linseed oil can be stored longer and more cheaply than flaxseed.

Both flaxseed and linseed oil were made available for sale to domestic users at prices which, through June 30, 1949, reflected cost to the corporation of $6 per bushel for flaxseed and 28 cents per pound for linseed oil, Minneapolis basis. On June 30, 1949, this Department announced that Commodity Credit Corporation would sell flaxseed at $5.25 and linseed oil at 23½ cents, Minneapolis basis. Even at these reduced prices, it is obvious that the only sales which will be made will involve minimum quantities to meet the immediate needs of purchasers until the new flax crop begins to move at its lower price level.

As previously indicated, both flaxseed and linseed oil have been declared surplus under section 112 (e) and the ECA, Army, and other agencies have been and are being urged to purchase these commodities.

With regard to dried eggs, our operations on the 1948 and 1949 calendar year programs have been as follows:

	1948 program	1949 program
	Thousand pounds	*Thousand pounds*
Purchases	28,441	55,904
Programed to school lunch and sec. 32	9,330	
Sales:		
To commercial exporters at reduced prices	1,165	
To Army and ECA (at 50% subsidy)	1,746	[1] 6,160
Total disposition	12,241	6,160
Inventory held July 29, 1949	16,200	49,744

[1] Sales to British through ECA.

At the moment we have no additional firm outlets for dried eggs but we are attempting vigorously to channel additional quantities through ECA and through section 32 program outlets. In addition, we recently announced that the Corporation would accept offers on its inventory of 1948 dried eggs for sale in export. The lowest prices at which offers are being accepted are 65 cents per pound when packed in export barrels and 67 cents per pound when packed in 14-pound cartons (56-pound master cases) strapped for export.

Meanwhile, efforts are being made to exchange any of the surplus commodities in the inventory of the Corporation for strategic materials outside the country.

Sincerely yours,

CHARLES F. BRANNAN,
Secretary.

Price-support loans outstanding May 31, 1949

Commodity and crop	Unit of measure	Quantity	Amount
1948 cotton, upland	Bale	4,003,752	$628,057,162.63
1948 cotton, American-Egyptian	do	550	157,214.91
1948 flaxseed	Bushel	531,334	2,972,990.88
1948 peanuts	Pound	97,087,139	10,327,632.19
1948 soybeans	Bushel	3,494,917	7,764,411.63
1948 potatoes, Irish	Hundredweight	3,474,556	4,461,238.93
1948 barley	Bushel	17,076,874	18,658,106.76
1948 beans, dry edible	Hundredweight	648,984	5,055,001.17
1948 corn [1]	Bushel	252,551,741	249,693,420.34
1948 grain sorghum	Hundredweight	2,014,838	4,512,766.21
1948 oats	Bushel	11,164,002	7,316,234.08
1948 peas, dry edible	Hundredweight	803	2,810.50
1948 rice	do	2,208	8,578.00
1948 rye	Bushel	453,397	564,673.49
1948 wheat	do	52,442,050	102,506,979.31
1948 tobacco	Pound	206,830,412	94,685,775.83
1947 tobacco	do	85,277,391	24,563,591.12
1946 tobacco	do	66,555,328	19,744,049.15
1949 naval stores:			
Rosin	do	1,783,650	120,438.43
Turpentine	Gallon	7,990	3,196.00
Total			1,281,176,271.56

[1] Estimated at 341,000,000 bushels at approximately $472,000,000 as of June 30, 1949.

Price-support inventories [1]

Commodity and crop	Unit of measure	May 31, 1949, per CCC books [1]		July 29, 1949 (estimated available for sale) [1]	
		Quantity	Value (cost)	Quantity	Value (cost)
Cotton:					
Samples (owned)	Bale	1,316	$138,356.77	1,316	$138,356.77
Pickings (owned)	do	2	40.55	2	40.55
1947 upland (pooled)	do	12	1,852.98	12	1,852.98
1947 American-Egyptian (pooled)	do	32	7,087.34	32	7,087.34
Flax fiber, 1946	Pound	307,159	144,757.94	235,728	110,792.16
Butter, 1949	do	2,427,922	1,452,529.16	10,295,120	6,155,481.76
Milk, dried, 1949	do	21,652,464	2,467,890.62	127,930,184	16,068,031.11
Fats and oils:					
Flaxseed, 1948	Bushel	20,081,333	126,027,294.62	[2] 17,195,000	107,984,600.00
Linseed oil, 1948	Pound	219,280,135	59,903,920.14	[2] 380,051,000	102,613,770.00
Peanuts, 1948	do	202,543,915	24,152,548.88		
Soybeans, 1948	Bushel	3,811,514	9,073,779.78	1,600,000	3,808,000.00
Dried fruits:					
Prunes, 1948	Pound	8,431,200	683,501.09	24,747,500	2,432,325.74
Raisins, 1948	do	2,461,110	195,445.14	11,289,830	1,098,365.79
Potato starch, 1948	do	10,876,949	517,389.20	10,632,360	617,740.12
Potatoes, Irish, 1948	Hundredweight	1,815,131	4,214,725.23		
Grains:					
Barley, 1948	Bushel	11,918,196	15,415,948.39	7,465,947	9,531,071.63
Beans, dry edible, 1948	Hundredweight	3,265,278	27,473,164.10	5,000,000	42,050,000.00
Corn, 1948	Bushel	438,583	729,194.69	936,811	1,555,106.26
Grain sorghum, 1948	Hundredweight	17,868,484	49,509,825.79	15,000,000	41,550,000.00
Oats, 1948	Bushel	2,286,063	1,579,753.16	1,117,392	771,000.48
Rice, 1948	Hundredweight	3,582	15,362.18	4,000	17,160.00
Rye, 1948	Bushel	249,050	336,802.57	373,816	504,651.60
Seeds, hay and pasture	Pound	833,922	162,994.60	833,972	162,624.54
Wheat, 1948	Bushel	174,638,057	392,201,388.76	182,000,000	409,500,000.00
Wool, various years	Pound	95,430,659	76,442,093.35	91,500,000	73,293,547.50
Eggs:					
Dried, 1949	do	37,087,388	47,278,249.36	49,744,510	66,110,453.79
Dried, 1948	do	19,493,869	24,814,539.86	16,200,217	21,530,088.39
Liquid or frozen, 1947	do	180	57.78		
Naval stores:					
Rosin, 1948	do	210,880,028	16,993,878.16	210,880,028	16,996,930.26
Turpentine, 1948	Gallon	2,811,262	1,440,518.70	2,737,255	1,402,569.46
Turpentine, 1947	do	686,143	455,535.55	603,018	400,343.65
Tobacco, 1947	Pound (dry weight)	6,385,297	1,744,318.22		
Total			885,574,744.66		926,512,991.88

[1] Data as of May 31, 1949, represent price-support inventories and include commodities committed to sale or otherwise obligated, while estimates as of July 29, 1949, denote commodities available for sale on that date and, in the case of grains, include some supply inventories.

[2] Quantities shown reflect sales of 3,900,000 bushels of flaxseed to processors under contract whereby CCC will acquire the resultant linseed oil.

Mr. THOMAS of Oklahoma. Mr. President, this is the situation: At the present time the Government has expended approximately $4,000,000,000 in support of prices. A large part of this money is in the form of loans, for which the Government has taken a vast amount of food products. For example it has acquired millions of pounds of first class meat from Mexico. This meat is canned, and it is of a character which I think is not in demand in this country. The cans in which the meat is placed are now rusting. If the meat is not disposed of very shortly, the rust will eat through the cans, the meat will be spoiled, and it will be of no value whatever.

The amendment I have just submitted provides that when the Government has acquired food products, such as canned meat, or dried eggs, or any other product, if there is no sale for it, and it is going to spoil, the Department then is authorized and directed to make any part of or all such products available to the Bureau of Indian Affairs.

I do not have to go into detail to explain the purpose of the suggestion, save to say that there are on reservations many Indians who have no buying power, and no way to achieve any buying power. If the commodities referred to could be made available to the Bureau of Indian Affairs, then the Bureau would know where it could send them and make distribution of them. If that is done the commodities will serve a good purpose. That would be especially true of canned meat. It would also be true of dried eggs.

The table I have submitted shows that the Government has on hand a very large amount of the various products I have spoken of. For example, it has butter on hand to the value of $6,000,000. It seems to me it would be a humane act to make distribution of this butter to those in real need. If it is not distributed it will spoil. Distribution can be made to needy persons through the Bureau of Indian Affairs, and through State welfare organizations. It would be better to make such distribution than to let the butter spoil, when it would be necessary to cart it off and destroy it.

The table shows that the Government has on hand $16,000,000 worth of dried milk, $2,400,000 worth of dried prunes, and $1,100,000 worth of dried raisins. It has on hand a vast amount of dried eggs, to the value of $66,000,000 in one category and $21,000,000 in another.

Mr. President, my amendment simply provides that if the Department becomes aware that these food products are about to spoil, and will spoil if not disposed of, then the Secretary is not only authorized but is directed to make such products available to the Bureau of Indian Affairs and to State welfare organizations.

I was advised a few minutes ago that there exists a welfare organization in the State of Utah which has $7,000,000 in its fund. Of course, that organization could spend a portion of that $7,000,000 in paying the freight or express charges on any of these products for the use of needy persons in the State of Utah.

I have stated the whole purpose of the amendment. It provides a means of getting rid of some of our surplus food which will certainly spoil if not disposed of. It would seem to me to be an act of humaneness to adopt such an amendment in order to get rid of as great a part of these commodities as we can before they actually spoil.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. FULBRIGHT. I did not understand whether the school-lunch program was included.

Mr. THOMAS of Oklahoma. Yes, it was.

Mr. FULBRIGHT. And the food was also to be made available to State welfare organizations?

Mr. THOMAS of Oklahoma. The Bureau of Indian Affairs first, the school-lunch program second, and State welfare organizations third. Of course, the officials in charge must become convinced that the applications are genuine and legitimate. That will be a matter to be passed upon by the Secretary of Agriculture.

Mr. FULBRIGHT. I believe the local relief agencies have qualified under the category of State programs, to act in such a case.

Mr. THOMAS of Oklahoma. That would be up to the Secretary, and I am sure he would administer the amendment in a humane and proper way if he were given the authority.

Mr. FULBRIGHT. It was the intention that local relief agencies should be included in the carrying out of such State programs.

Mr. THOMAS of Oklahoma. Yes. Mr. President, the Senator from Mississippi rose a while ago. I yield to him if he wishes me to do so.

Mr. STENNIS. Mr. President, the question I had intended to answer has just now been answered by the Senator from Oklahoma.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MUNDT. Did the Senator's amendment contain the words "at no cost" or "at low cost"?

Mr. THOMAS of Oklahoma. "At no cost" to the Government. In other words the welfare organizations or the Bureau of Indian Affairs have funds which they can perhaps use to pay the freight charges or express charges to the point where the food products are desired to be sent. That will save the Government the expense of shipment, as well as the maintenance charges, and so forth.

Mr. MUNDT. That was the point I wished to have brought out, that the food products were to be distributed "at no cost." It seems to me the Senator should include a statement that that means f. o. b. at the point of storage. Otherwise it might be interpreted as meaning that the Government would have to pay the cost of delivery to point of consumption.

Mr. THOMAS of Oklahoma. The amendment contains the language "at no cost." I would interpret that to mean no cost to the Government. The food products would be made available on approval of application. The application would have to be approved. Those applying for the food products would have to pay the freight charges or express charges.

Mr. MUNDT. I think it should be clearly understood that the food products will be made available f. o. b. at the point of storage, otherwise the cost would be increased.

Mr. THOMAS of Oklahoma. I think the remarks of the Senator from South Dakota as they appear in the RECORD will constitute an interpretation of that provision.

Mr. President, I submit the amendment, and I shall ask to call it up at the proper time for appropriate action.

Mr. YOUNG. Mr. President, I ask unanimous consent that the proceedings in connection with the submission of the amendment by the Senator from Oklahoma may appear at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDERSON. Mr. President, I wonder whether the acting minority leader will agree that we might stop discussing this amendment at half past two, and vote on it then. I discussed that question with the junior Senator from Georgia, and he discussed it with the junior Senator from North Dakota. I am anxious to have the Senate reach the Magnuson amendment soon, because it involves foreign trade. I wonder if we may reach an agreement to come to it within an hour.

Mr. SCHOEPPEL. Mr. President, there are so few Senators in attendance at this time that I would suggest we have a quorum call, and thereafter take up this matter immediately. That would provide an opportunity for a considerable number of Senators who are off the floor at this time to be present and to familiarize themselves with the situation; and then we might be able to reach an agreement.

So, if there is no objection, I suggest the absence of a quorum for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Millikin
Anderson	Hickenlooper	Morse
Baldwin	Hill	Mundt
Bricker	Hoey	Murray
Bridges	Holland	Myers
Butler	Hunt	Neely
Byrd	Ives	O'Conor
Cain	Johnson, Colo.	O'Mahoney
Capehart	Johnson, Tex.	Pepper
Chapman	Johnston, S. C.	Robertson
Chavez	Kefauver	Russell
Connally	Kem	Saltonstall
Cordon	Kerr	Schoeppel
Donnell	Kilgore	Smith, Maine
Douglas	Knowland	Sparkman
Downey	Langer	Stennis
Eastland	Long	Taylor
Ecton	Lucas	Thomas, Okla.
Ferguson	McCarthy	Thomas, Utah
Flanders	McClellan	Thye
Fulbright	McFarland	Watkins
George	McKellar	Wiley
Gillette	McMahon	Williams
Graham	Magnuson	Withers
Green	Martin	Young
Gurney	Maybank	
Hayden	Miller	

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may be

excused for the remainder of the day. I have to be absent on official business.

The PRESIDING OFFICER. Without objection, the leave is granted.

Mr. ANDERSON. Mr. President, I wonder whether the minority leader will agree to have a vote taken on the Young-Russell amendment at, say, the hour of 2:30, the time to be equally divided?

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. SALTONSTALL. I have discussed the matter with the Senator from North Dakota and other Senators who are interested. So far as I can ascertain, if the time is equally divided between the Senator from New Mexico and the junior Senator from North Dakota, it is entirely agreeable, unless some Member on this side of the aisle objects. I know of objection, as a result of having made inquiry. But I hope the Senator from New Mexico will not ask for any further agreement on any other vote, at the present time.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered. The vote on the Young-Russell amendment will be taken at 2:30, the time between now and 2:30 to be equally divided between the Senator from New Mexico and the junior Senator from North Dakota.

Mr. LANGER. Mr. President, I wish to offer an amendment.

The PRESIDING OFFICER. The time having been allotted, it will be necessary for the Senator from North Dakota to have time yielded to him for the purpose, and to do it now.

Mr. LANGER. I shall offer the amendment later.

The PRESIDING OFFICER. Very well.

Mr. ANDERSON. Mr. President, the Young-Russell amendment is an extremely important one. I think we should recognize that right here we probably come to an important decision on the farm program. I do not wish to put any undue emphasis on it, but I think I should remind Senators that the amendment pretty well takes the flexibility out of the support prices on the basic crops. As the Senator from Vermont has pointed out, we now have in the law a provision for acreage allotments every year on wheat, corn, and rice, and so, for those crops at least, since the level of support is to be 90 percent when acreage allotments or marketing quotas are in effect, the amendment would effectively establish 90 percent for those three crops, from now on. The law already provides 90 percent for tobacco. Therefore, the only basic crops that would be left without an absolute agreement on 90 percent would be cotton and peanuts.

I merely suggest that the absolutely mandatory support at 90 percent on both wheat and corn in the next year can be extremely embarrassing to the Government. The reports indicate we shall have something like a 131-percent supply of corn, with another very large crop coming along, and if we continue to have absolute rigidity in support prices, I think it will imperil the whole support-price program of the farmer.

There will be offered today, I imagine—if not today, then certainly at some time within the next year—an amendment to strike out the whole potato program. I have been advised that someone is going to offer such an amendment or make such a motion this afternoon, though I am not in a position to guarantee it. But, surely, there has been steadily increasing opposition to the potato program, and one of the reasons why there has been increasing opposition to it is that it was tied in by the Steagall amendment to a flat 90-percent support, which cost the country $250,000,000 in 1948.

In 1949, because of a change in the legislation—suggested, I am happy to say, by the potato growers themselves—it was possible to reduce the support level to 60 percent. It was possible to diminish greatly the incentive to tremendous overplanting of potatoes, and therefore we were able to effect a reduction which ran down to about $50,000,000.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG. Is it not true that the potato acreage was at nearly an all-time low, and we still had great production? Does not that indicate that the cost of producing a bushel of potatoes has gone away down, and that 90 percent was cost-plus by a long way? Did not the potato growers themselves ask for a lower support level? I do not think it will be possible to find a parallel in the potato situation. The cost of wheat certainly has not gone down. The cost of producing a bushel of wheat certainly has not gone down in proportion to the cost of producing a bushel of potatoes.

Mr. ANDERSON. No; I agree to that. But I say the very reason why the potato program was under such steady and persistent fire was that the rigid 90-percent supports absolutely cost more than the Treasury of the United States could bear. If it is desired to expose the farm program to the steady and persistent fire to which the potato program has been subjected, this is the way to do it.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. DONNELL. I have in my hand a letter—I do not know whether it has been mentioned—dated September 27, 1949, from Mr. Roger Fleming, director of the Washington office of the American Farm Bureau Federation, which contains this statement:

> It is our firm belief that an amendment requiring that the basic commodities be supported at 90 percent of parity whenever acreage allotments or marketing quotas are in effect would seriously impair the workability of the programs contained in this bill.

May I ask the Senator whether he concurs in that view, and if so, why?

Mr. ANDERSON. I concur in that view. Let me say to the distinguished Senator from Missouri that in the same letter there is a reference to the favored amendment, which the Senator from Vermont is shortly to offer with reference to another section. I do not want to tie myself to support it, but I do agree with the American Farm Bureau Federation.

We have been talking about flexible price supports. Both the Republican Party and the Democratic Party met in convention and endorsed flexible price supports. I wonder what the pledge means, if we then come here and vote for absolutely rigid supports.

I agree with the logic of the statement read. What the American Farm Bureau Federation has said is, they know that high, rigid supports are bound to be the rocks on which the whole farm program will be scuttled, if it shall be scuttled in our generation.

Mr. DONNELL. Mr. President, that is precisely the question. I should like to get a further answer, if the Senator will give it. Why would the rigid provision of 90 percent of parity seriously impair the workability of the programs contained in this bill?

Mr. ANDERSON. To begin with, we have coming along a crop of 3,500,000,000 bushels of corn. If the support price is set at 90 percent, and the Department of Agriculture establishes acreage allotments, because the price is so high and so attractive, all the factors we have been talking about in connection with the potato program come into play.

It is possible to spend additional money for special preparation and fertilization of the soil when there is a very high support price, but we steadily find ourselves more and more involved in larger and larger crops. I have consistently contended that I do not believe rigid supports are desirable. I recognize that occasionally we must provide an extension of the law, as we did with reference to the Hope section of the law last year, finding it necessary temporarily to provide rigid supports. We did that during the period of the Steagall legislation, but all the time in which that legislation was on the books we kept holding on for $500,000,000. There are Senators present who would have been glad to see that taken away from the Department of Agriculture, and perhaps it should have been taken away; but the Department of Agriculture hung on to the $500,000,000 and said, "We are going to need it some day. When the Government removes price supports, we shall need it to cushion our descent down the ladder slowly."

I say to the Senate that while I am willing to concede that the two authors of this amendment are as fine friends of agriculture as can be found in this body, I hope, regardless of the fine personalities of the Senators who have offered the amendment, that the Senate will vote against it. I have long recognized that the Senator from North Dakota truly represents his people and is truly their friend. I have made that statement openly in gatherings in his State. I have recognized the distinguished work which the junior Senator from Georgia does on agricultural appropriation bills. The farmers of the Nation will never cease to thank him for the fine things he has done. But regardless of those contributions—and I would not minimize them—there is this conflict of opinion as to whether we should have high, rigid supports or whether there should be flexibility in our agricultural system. I think we shall strike at the basis of the whole program if we adopt this amendment and say that there shall be 90-percent sup-

port, for many years to come, for all basic agricultural commodities. I think we have gone a long way in this bill in trying to meet divergent points of view. We have gone further than many Members thought we should go, but we have realized that it was important to pass a bill which would carry along with it a permanent status. I think we must be careful not to pass a bill containing provisions which will start a request for its immediate repeal when the people find that the supports are too high.

There was a tremendous wheat crop 2 years ago, and if it is announced that again 90-percent price support shall be provided, we shall find some persons rushing into the wheat-growing business and a great deal of embarrassment will be caused. What we need at this time is less wheat, not more wheat. We need more of the type of farming which will tend to replenish the soil. Farmers in areas in which wheat grows well should be given an opportunity to grow wheat.

We should not, in my opinion, put into this bill rigid price supports. I cannot conceive of the possibility that the Congress would try to undo what we have been working so hard for several years to accomplish, by writing into the bill the rigidity to which I have referred. Remember how long we have been trying to get to a new farm program. Remember that we have been holding hearings since 1946 on this program. Remember that members of the committees of the Congress have been going all over the country asking farmers what they wanted. I am frank to admit that in many areas they have given the answer, "We should like to have 90 percent." I admit they would like to have it. Many farmers would like to have it forever. But I invite attention to the fact that the American Farm Bureau Federation, after studying the subject carefully, has come to the conclusion that it is dangerous to have 90-percent support, and they have specifically asked that Congress enact flexible support price legislation. I also invite attention to the fact that the Grange has virtually the same viewpoint on this question. The National Council of Farmer Cooperatives, the American Institute on Cooperation, and almost every agricultural group that can be named have said they did not want a rigid program. The only exception is the Farmers Union, which has asked for 100-percent price supports, a still higher figure.

I suggest to the Senate that we should be very careful on this vote. I do not know what will happen to the program involved in this bill if this amendment should be adopted. I cannot imagine any reason why the President of the United States should sign such a bill, because it strikes at the very thing which the administration has been crying out against. It has taken a long while to provide a substantial program. It would take a long time to regain the ground we would lose.

I want the Senate to remember that the subcommittee which has been working on the bill has tried its best to go a long way toward meeting the points of view of various groups and individuals. We have not tried to hold back discussion of any sort of agricultural program, but we have been unanimous on the question of opposing high, rigid price supports. Therefore, I think it would be unwise for the Senate to adopt this amendment, which provides that there shall be 90 percent of parity with reference to every kind of acreage allotments and marketing quotas. That suggests that from now until the law is repealed, if this bill should be enacted, we shall have rigid 90-percent support. I think the best and easiest way to scuttle the program is to adopt this particular type of amendment.

Mr. AIKEN. Mr. President, if no other Senator desires to speak in favor of the amendment, I should like to say a few words at this time.

This amendment, as I pointed out a short time ago, would provide permanent, rigid, 90-percent support for corn, wheat, and rice, and some of the time for cotton and peanuts. Tobacco, as has been pointed out by the Senator from New Mexico, already enjoys a 90-percent support level. There is some reason for a 90-percent support level for tobacco and cotton. The reason is that the market for those two commodities is controlled to a considerable extent by foreign nations. Therefore, there is some reason for putting cotton and tobacco in a class by themselves. But, Mr. President, although I hope, indeed, no one hopes so more than I do, that the farmers can get a 100-percent income for their crops, I want them to get it as freemen who operate their farms in their own way, think for themselves, and have the right to act for themselves.

We have been working for some time, Mr. President, to convert our agriculture more into an animal industry. We have been doing that not only because it would mean a much higher dietary level for all the people of the country, but it would also provide a much wider market for growers of grain. If we guarantee permanent 90 percent of parity as support for corn, wheat, and rice, it means that there will be no incentive in the Corn Belt and the Wheat Belt to market more of that grain in the form of animal products. It will defeat the very thing for which we have been working for many years. It will encourage a soil-mining agriculture rather than a soil-building agriculture, which an animal industry is. It will be an incentive for the grain grower to raise grain for the Government rather than to raise meat, poultry products, and dairy products for the 150,000,000 consumers in the United States who would use a great deal more if those commodities were available.

We must remember, too, as has been pointed out by the Senator from New Mexico that we are inviting the wrath of the consuming public if we try to get too much in the name of the farmer. We felt last year that we went as far as we could go in getting support for the farmer and still have the program approved by the general public. Seventy-two to 90 percent of parity is not so very different from the 75 to 90 percent of parity provided for by the bill of the Senator from New Mexico. But let us remember that when we legislative for agriculture we are legislating for less than 20 percent of the population of the country. Speaking as a farmer, we have at the present time political power far out of proportion to our numbers. But we can reach so far and reach for so much that we will lose that which we already have. This fear is voiced by the Secretary of Agriculture.

I wish again to read, as I read yesterday, the reply which he made in his interview which is printed in the United States News of April 29. When asked the question, "Isn't the Congress likely to continue the 90 percent of parity without doing anything else?" Secretary Brannan answered, "If they do, all I can say is that the year after this we will have an awfully drastic program of some kind. We will have powers vested in the Secretary of Agriculture, whoever he may be, that go way beyond anything used so far.

"Another year of big production, with the present program continued [the 90-percent program] would show so much money involved in farm programs that I don't think any taxpayer could stand it."

Secretary Brannan makes it perfectly clear that a 90-percent guaranty—a fixed, rigid guaranty—would mean complete controls over farming operations.

Mr. President, I think this amendment is not good for the farmers; it would not be good for the Government; it would not be good for consumers if it were adopted; and I believe, as the Senator from New Mexico believes, that if we adopt any rigid 90-percent legislation, in view of what the Secretary of Agriculture has said, we could not expect it to become law. I certainly hope it would not become law because it would be one of the worst things that had happened to American agriculture in a long period of time.

For more than 10 years now all our major agricultural organizations and the Department of Agriculture have been working for a flexible floor for price supports and a revised parity formula. Although the leaders of the Farmers Union have since come out against the flexible support program, yet I think I should say here that no stronger testimony was given in favor of flexible support last year before the Committee on Agriculture and Forestry than was given by the president of the Farmers Union himself. I am sorry they saw fit to change their position a few months ago.

Mr. President, I hope the amendment will be defeated.

The PRESIDING OFFICER. The proponents of the amendment have 23 minutes remaining. Does any Senator wish to speak for the proponents?

Mr. YOUNG. Have the opponents any more speakers?

The PRESIDING OFFICER. They have used all except about 3 minutes of their time. The opponents have 3 minutes.

Mr. YOUNG. I yield the remainder of my time to the distinguished junior Senator from Georgia [Mr. RUSSELL].

Mr. RUSSELL. Mr. President, how much time remains?

The PRESIDING OFFICER. Twenty-three minutes for the proponents.

Mr. RUSSELL. Under the usual practice, the proponents of the amendment are entitled to the closing of the debate.

The PRESIDING OFFICER. The Senator from New Mexico has 3 minutes left.

Mr. RUSSELL. I shall not quibble over that, and I do not think I shall use the 23 minutes.

Mr. President, the pending amendment is based on the philosophy of existing farm legislation. In my opinion, if the amendment shall be rejected it will be considered by the farmers as a step backward in the efforts which have been made by the Congress to bring the farmers into something like parity with the other citizens of the United States. This is a matter which is very serious to the farmers, and I hope that Senators will not be confused in their minds, in voting on the amendment, by the statements which have been made as to the great losses which have been incurred by the Commodity Credit Corporation in carrying out the farm program, because the fact is that there have been no substantial losses on any of the basic commodities, and the amendment applies only to the basic commodities.

Mr. President, the flexible loan idea has its place in the farm program, but it should apply to perishables and not to basic commodities, because if we adopt the provisions of the pending bill, and reject the pending amendment, it will mean that in the future the farmers will be allowed only 75 percent of a loan instead of 90 percent which they are obtaining at the present time, so far as loans on these basic commodities are concerned. I do not have the latest figures, but the last time the matter was presented to the Senate Committee on Agriculture and Forestry for appropriations, it was shown that instead of losing money on the basic commodities, the Government had a profit, as I recall, of somewhere in the neighborhood of $200,000,000, which had accrued to the Treasury by virtue of the basic commodities.

Mr. President, I would not discuss the political implications of the pending measure, but in my judgment the farmers will be aggrieved, and justly aggrieved, if the Senate rejects the amendment. Bear in mind that this bill reduces the parity figures by way of change in the formula. It reduces them from 10 to about 14 or 15 percent, as I recall. I do not have the exact figures, but it reduces the parity figures as to basic commodities.

The pending amendment will apply only in the case of a reduction in acreage. In addition to the reduction of the parity figure, there will be a reduction in acreage, and then superimposed upon those two reductions it is proposed to reduce the loans to as low as 75 percent.

I cannot believe that the farmers will feel that they have been treated fairly by the Congress if the parity figure is reduced, their acreage and production are reduced, and then on top of that the loans are reduced. Senators will hear from their farmer constituents if this amendment shall be defeated and the bill enacted into law.

Mr. President, the bill provides for a 90-percent loan on tobacco, a commodity which is produced in considerable quantities in my State. How are we to explain to the producers of the other basic commodities why tobacco is permitted to have a preferred status under the terms of the bill? It should not be done, and it would be impossible to explain to a wheat farmer, a corn farmer, a rice farmer, or a cotton farmer, why a change is being made. These commodities have traveled together since the inception of the Agricultural Act of 1933, which represented the first step forward the Democratic administration made in its efforts to give the farmer a fair break in the American scheme of things.

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield briefly. I have only a few minutes.

Mr. THYE. I have listened to the discussion of the able junior Senator from Georgia, and I have wondered if we could not consider eggs as being an important part of the farmer's income-producing crops, and why we should not likewise consider pork. Why could we not get beef, pork, poultry, turkeys, and eggs into that same category so that there would be no question about the livestock industry in our farm operations, because those are the best kinds of farm operations that can possibly be conceived of? Those are the farm operations which bring about soil conservation and soil building. Such operations certainly lend themselves to a family-size farm operation. I should like to be able to include eggs, turkeys, pork, beef, and similar operations in the mandatory provision. Such operations certainly have as much of a place in the bill as peanuts and rice, from the standpoint of their importance in our whole agricultural economy.

Mr. RUSSELL. Mr. President, the distinguished Senator from Minnesota, as I understand, is a member of the Committee on Agriculture and Forestry. He was last year, and I believe he still is a member of that committee.

Mr. THYE. I still am a member, I will say to the Senator.

Mr. RUSSELL. If the Senator thinks the commodities he has mentioned are entitled to a square deal or to an even break with other commodities, I should like to know why the Senator from Minnesota has not been fighting in the committee and on the floor of the Senate today for those commodities. I am willing to consider whether or not what the Senator has suggested should be done. But I am discussing the commodities with which I am familiar. If the Senator from Minnesota believes that the commodities produced in his State are discriminated against he should be here offering an amendment to remedy that situation. He should not ask me to do so because I am offering one which applies to the basic commodities, and I am undertaking in my poor way to say why I think it should be adopted.

Mr. THYE. I will say to the Senator from Georgia that we produce, in the State of Minnesota, wheat and all the other products I have mentioned, except peanuts and cotton. We produce some tobacco, although tobacco is not a major crop in Minnesota. What I am thinking about is the establishment of a farm program which can stand up through a period of years, through what we may term difficult times from the standpoint of international trade and international demands. I do not want a program which is exceedingly favorable simply for 1 or 2 or 3 years, after which we may find ourselves in a situation where the program is in discredit, making it difficult or impossible to obtain the appropriations which will support the necessary loans or the purchase agreements to carry on the program, with the result that each year the farmers will become a little more difficult to deal with as a producer group by reason of cuts being made year after year, a situation which has faced the farmers in recent years since the war.

In my State there are 9,000 GI farm operators. If we fail them now or 2 or 3 years from now by not giving them adequate protection under a farm program, we will be letting them down when they least can afford to be let down. It is for that reason that I look upon the entire agricultural question with an eye to its soundness and durability and the public's reaction to it.

Consider the history of the potato program. A year ago we spent some $225,000,000 in supporting a small geographically spotty crop. Potatoes are grown in Maine, potatoes are grown in the Red River Valley to a limited amount, some are grown in the South to a limited amount, and some are grown in Idaho and in California. Yet, we spent $225,000,000 trying to support a small geographically spotty crop. Public opinion crystallized against that program and it was ridiculed to the point where the producers themselves walked into conferences and begged to be considered on a basis of 60 percent of parity.

Mr. RUSSELL. Mr. President, my time is limited.

Mr. THYE. Mr. President, I am sorry that I have imposed so long on the time of the able Senator from Georgia.

Mr. RUSSELL. Mr. President, I wish to be courteous to the Senator, but I feel that I should be permitted to conclude my statement, which I will do in a few minutes.

Mr. THYE. Mr. President, I realize that I have imposed upon the time of the able Senator, and I apologize.

Mr. RUSSELL. That is all right.

Mr. THYE. The Senator has been very kind in yielding, and I overstepped.

Mr. RUSSELL. The Senator need not apologize, because the Senator from Georgia had the floor and was delighted to hear the Senator from Minnesota.

Mr. President, I have never been impressed with the argument that if the Senate should undertake to give a small share to the farmer, the rest of the Nation would rise up and strike him down. I am not, by my vote, going to put the farmers of the country on a subsistence level merely because someone raises a bugaboo about what may be done somewhere else. That argument has never been raised in the Senate during the 16 years I have been a Member, except in the case of the farmer. It has never been raised in the case of labor. Bills are brought before Congress to increase the

minimum wage to 75 cents an hour, and those who claim to be friends of those who toil do not stand around saying, "If we increase the minimum wage to 75 cents an hour there will be a great reaction, there will be a wave of public sentiment which will sweep the Nation, and it will militate against labor."

When we are considering bills to provide for other lines of industry we do not hear Senators or Representatives saying, "If you give this subsidy to those who carry the mails, or to those who publish periodicals, you are going to create so much resentment that Congress will be forced to pass such drastic laws as to put them completely out of business."

It is only when a plea is made that the farmer not be compelled to take three reductions at one time in his income that we hear it said, "If you give the farmer this little measure of assistance"—which means that we would give him only a little look-in in the matter of bettering his means of livelihood, merely affording him a small part of the blessings of our modern-day civilization and our greatly expanded income in the United States—"there will be so much resentment over the land that the farmer will be put completely out of business."

I say if the farmer is going to be put out of business, put him out at one fell swoop. Do not starve him to death by degrees by whittling down his loans from 90 to 75 percent and placing him on a subsistence level, as is proposed to be done by the pending bill. Put him out of business all at once instead of putting him down on a subsistence level where he cannot possibly survive.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McFARLAND. Does not the Senator from Georgia believe that the entire population will profit by the prosperity of the farmer? Has not that been the history of our country?

Mr. RUSSELL. Mr. President, every depression we have ever had has started on the farm when farm prices fell so low that the farmers could not buy. The result was that the little merchants had to close their stores; the small country banks started to fail, and eventually the great financial institutions became distressed.

Mr. President, those who do not want to give the farmer justice, even as others are given justice, are short-sighted. It is of the greatest importance for the welfare of all the people of the United States that the farmer should be accorded the full meed of the justice.

The bill, if it be enacted in its present form, will take away from the farmer instead of giving to him. I ask the Senate, What other group has had anything taken away from it during the present session of the Congress? We have passed legislation to improve the lot of practically all the other people of the United States. We have increased the wages of all the Government employees. We have increased the pay of those in the armed forces. Practically every piece of legislation which has been enacted has been to add to the opportunities in life of the American people in some group or class, other than the farmer. Now we are at last considering a farm bill, and the bill, instead of adding to the farmer's opportunities and giving him a chance to share in the national income, to let him, forsooth, have a screen on his window, and maybe, perchance, send his child, as other children are sent, to college, proposes to take such things away from him and to reduce his income.

Mr. President, I made a poor argument in the Senate when the so-called Aiken bill was on its passage late one night in the dying days of the Eightieth Congress. It was proposed then to reduce the parity formula. It was proposed then to bring down the loan value of the farmers' commodities. I stated then and there on the floor that simply because the heads of some few farm organizations had approved that bill, in my opinion, the Senate was making a mistake in passing it. I spoke for a much longer time than I am accustomed to speak. I spoke for several hours. I made the prediction then and there—I did not make it once, but I made it time and again—that when the farmers of the United States realized what was done to them in that bill by way of reducing their parity payments and their loan values, and thereby reducing their income, the farmers would resent it, and they would be heard from.

Mr. AIKEN. Mr. President, will the Senator yield for a question which will take not more than 30 seconds?

Mr. RUSSELL. I am afraid the Senator will divert me, but I yield.

Mr. AIKEN. Did not the Senator from Georgia vote for the bill last year?

Mr. RUSSELL. Of course, but, that in my opinion the fact that my friends on the other side could not produce any better argument for that bill contributed greatly to the change in the vote in the farm States of the West at the last election. Of course I voted for the bill, because we were running out of any bill at all. We had an agreement to carry on for 1 year under the existing law—under a Democratic law, if the Senator wishes to raise that issue. We were carrying it on for another year. I hoped and prayed that we would have the opportunity which we have at this good moment to rectify the wrongs done in that bill, so that we could avoid marching backward in a farm program. Senators listened to a few heads of farm organizations, but when it came to the rank and file of those who went to the polls, they expressed their resentment.

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. Mr. President, how much time have I?

The VICE PRESIDENT. The Senator has 6 minutes.

Mr. RUSSELL. I yield. I did not realize that I had that much time.

Mr. THYE. I thank the distinguished Senator from Georgia for yielding.

I could not help but catch the remark about a Democratic program. I invite the Senator's attention to the fact that it was an incentive program, a program conceived under the war cloud, for the specific purpose of authorizing the Department of Agriculture to offer incentive payments to producers to increase crops which were in short supply. It was a wartime-conceived measure, and we tried to deal with it in a peacetime manner, so as to assure continuity in the farm program. It was for that reason that the Aiken bill was passed last year. It was not the intention to draw away from what we might call a permanent program. It was an effort to remedy or correct a wartime measure, or an incentive-conceived legislative measure.

Mr. RUSSELL. The Senator makes a fine argument from the standpoint of an economist; but when we get down to the forks of the creek or the end of the road and try to make that argument to a man who has had the loans on his basic commodities cut from 90 to 60 percent at a time when all other incomes are going up, when we are striving to increase the national income by leaps and bounds, he is bound to resent it. We tell him, "We are sorry, but the prices of your crops went up during the wartime, and we had wartime legislation. We must cut you back, although the income of everyone else is continuing to rise."

I still say that the farmers will not be impressed by any argument which is made to the effect that it is found necessary to sound retreat for the farmers of the Nation at a time when we are sounding the advance for every other group of people who live under the flag.

Mr. President, there is an improper impression abroad in the land that the farmers are all becoming rich, that they are getting entirely too much for their commodities. It so happens that the proportion of the total income going to the farmers of the United States during the war years, as compared with the total national income increased only 1 percent over the average from 1935 to 1939. The 20 percent of our people who live on the farm have now been brought up to the magnificent share of 9.9 percent of the national income. Yet it is said that the farmers are becoming rich.

It is strange to hear all this talk about legislation which will penalize and destroy the farm program and leave the farmer in absolute peasantry and serfdom. Yet there has been very little change in the amount of the total income which is necessary to feed the American people. It increased 2 percent in 1948 over the 1935–39 average.

Who is there to deny that the American people are eating better today than they ever have before. The national consumption of sugar has increased by leaps and bounds. The national consumption of meats doubled or trebled in the war years; and yet the part of the national income which goes to pay for food is only 2 percent above the 1935–39 average.

Mr. President, I respectfully submit that any step now to reduce loans on the basic commodities is absolutely indefensible when we consider that we are trying to push forward with all other groups.

The farmers never had a better friend in the Nation, let alone in the Senate, than the distinguished Senator from North Dakota [Mr. YOUNG], who has outlined the benefits which have gone to other groups. He has pointed out that the farmers represent the only large group excluded from the social-security

program. Yet if we reject this amendment, it is proposed to go further and cut his income in three ways. First, it is proposed to reduce his parity from 10 to 14 percent. Second, it is proposed to reduce his acreage, because the amendment does not apply except in the case of controls. Third, it is proposed to reduce the loans to be made on his basic commodities. I insist that such a program cannot possibly be justified.

The VICE PRESIDENT. The time of the Senator from Georgia has expired.

Mr. RUSSELL. I thank the Senator from New Mexico [Mr. ANDERSON] for his generosity. I hope the Senate will not confuse this proposal with all the tales and propaganda which have gone the rounds about potatoes. That subject was alluded to by the Senator from Minnesota. This amendment does not apply to potatoes or to any perishable crops. It applies only to basic commodities.

Mr. THYE. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator's time has expired.

Mr. THYE. I understood that the Senator from Georgia was given the remainder of the time allotted to the proponents of the amendment.

Mr. RUSSELL. I was speaking at the sufferance of a very distinguished Republican. The Senator from North Dakota [Mr. YOUNG] gave me time.

Mr. THYE. I should like to answer——

The VICE PRESIDENT. The time of the Senator from Georgia has expired. The Senator from New Mexico has 3 minutes. All other time has expired. Does the Senator from New Mexico wish to use the 3 minutes?

Mr. ANDERSON. I will, Mr. President, in order to yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I heard the distinguished Senator from Georgia refer to the remarks which I made concerning potatoes. My only reference to potatoes was for the purpose of clarifying the question of whether we could get support prices so high that public opinion would turn against us. That was the only reason I made mention of potatoes. I did not mention potatoes for the purpose either of advocating a lower support price on them or of having potatoes included among the basic commodities. I referred to potatoes specifically in order to use them as an example, to show how we can make mistakes, and in what manner those mistakes may, in a sense, injure the producer group at some future time in connection with farm price-support programs.

Mr. President, I cannot help but go back to the years just prior to World War II. In the year 1939 we had a crop of wheat of 741,000,000 bushels, and 167,700,000 bushels went in under commodity loans. At that particular time the commodity loan on wheat was only 56 cents a bushel. At that time we were getting wheat under commodity loans to such an extent that we were quite concerned as to what we were going to do with it at 56 cents a bushel. In the year 1940, when we had a wheat production in the United States of only 814,600,000 bushels, there were placed under loan 278,400,000 bushels, and the actual value of the loan on that wheat was 58 cents a bushel. I am referring to what were normal prewar years, in calling attention to what the program did and the problems with which we were confronted so far as concerns the huge surpluses which were piling up. I make mention of those facts in connection with the statement that too high a support price might be injurious to the farm program.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing the figures to which I have referred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Price-support operation, 1939 and 1940—wheat, corn, and cotton

	Pledged for loans	Total United States production	Support level (percent of parity)	Support price	Weighted average market price
Wheat:	*Million bushels*	*Million bushels*		*Cents per bushel*	*Cents per bushel*
1939	167.7	741.2	56	[1] 77	[1] 74.1
1940	278.4	814.6	58	[1] 77	[1] 81.9
Corn:					
1939	302.0	2,600.0	71	57	[2] 54.3
1940	103.0	2,500.0	76	61	[2] 66.9
Cotton:	*Million bales*	*Million bales*		*Cents per pound* [3]	*Cents per pound* [3]
1939	.03	11.5	57	8.95	10.09
1940	3.18	12.3	57	9.15	11.00

[1] No. 2 hard wheat at Kansas City.
[2] No. 3 yellow at Chicago.
[3] Middling 1 1/16 inch.

Mr. RUSSELL. Mr. President, much as we might like to do so, it is impossible for the Nation to go back to prewar years in agriculture or in any other activity. We might as well recognize that we are living in a different age than the period before the war. We cannot go back to it, even if it were desirable to do so.

There has been a great deal of talk about potatoes. The potato catastrophe occurred before the war. We were encouraging farmers to plant potatoes. They planted potatoes. Then the war ended and we had too many potatoes, too many acres planted in potatoes. That situation lasted for a couple of years. There was a loss of $200,000,000.

What did we do with industry? We poured tens of billions of dollars into war plants which are now occupied by bats. No one complains about the war losses in connection with industry. The farmers must bear the brunt of criticism for everything that happened.

The VICE PRESIDENT. All time has expired.

The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. YOUNG] for himself and the Senator from Georgia [Mr. RUSSELL].

Mr. RUSSELL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Donnell	Gurney
Anderson	Douglas	Hayden
Baldwin	Downey	Hendrickson
Bricker	Eastland	Hickenlooper
Bridges	Ecton	Hill
Butler	Ferguson	Hoey
Byrd	Flanders	Holland
Cain	Fulbright	Hunt
Capehart	George	Ives
Chapman	Gillette	Johnson, Colo.
Connally	Graham	Johnson, Tex.
Cordon	Green	Johnston, S. C.
Kefauver	Martin	Saltonstall
Kem	Maybank	Schoeppel
Kerr	Miller	Smith, Maine
Kilgore	Millikin	Stennis
Langer	Morse	Taylor
Long	Mundt	Thomas, Okla.
Lucas	Murray	Thomas, Utah
McCarthy	Myers	Thye
McClellan	O'Conor	Watkins
McFarland	O'Mahoney	Wiley
McKellar	Pepper	Williams
McMahon	Robertson	Withers
Magnuson	Russell	Young

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. YOUNG] for himself and the Senator from Georgia [Mr. RUSSELL]. On this question the yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from West Virginia [Mr. NEELY] are detained on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

I announce that on this vote the Senator from Alabama [Mr. SPARKMAN] who would vote "yea" if present, is paired on this vote with the Senator from New York [Mr. DULLES], who would vote "nay," if present.

I announce further that on this vote the Senator from West Virginia [Mr. NEELY], who would vote "yea" if present, is paired on this vote with the Senator from Ohio [Mr. TAFT], who would vote "nay" if present.

I also announce that on this vote the Senator from Minnesota [Mr. HUMPHREY], who would vote "yea" if present, is paired on this vote with the Senator from New Jersey [Mr. SMITH], who would vote "nay" if present.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Massachusetts [Mr. LODGE], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent. If present and voting, the Senator from New Hampshire would vote "nay."

The Senator from Indiana [Mr. JENNER] is absent by leave of the Senate because of illness in his family.

The Senator from Nevada [Mr. MALONE] and the Senator from California [Mr. KNOWLAND] are absent on official business.

The Senator from Ohio [Mr. TAFT], who is necessarily absent, is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting the Senator from Ohio would vote "nay" and the Senator from West Virginia would vote "yea."

The Senator from New York [Mr. DULLES], who is absent by leave of the Senate, is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from New York would vote "nay," and the Senator from Alabama would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate and is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from New Jersey would vote "nay," and the Senator from Minnesota would vote "yea."

The result was announced—yeas 37, nays 38, not voting 21, as follows:

YEAS—37

Butler	Johnson, Tex.	Murray
Connally	Johnston, S. C.	Myers
Cordon	Kefauver	O'Mahoney
Downey	Kerr	Pepper
Eastland	Langer	Russell
Ecton	Long	Stennis
Fulbright	McCarthy	Taylor
George	McClellan	Thomas, Okla.
Gurney	McFarland	Watkins
Hayden	McKellar	Wiley
Hill	Maybank	Young
Hunt	Miller	
Johnson, Colo.	Mundt	

NAYS—38

Aiken	Gillette	Martin
Anderson	Graham	Millikin
Baldwin	Green	Morse
Bricker	Hendrickson	O'Conor
Bridges	Hickenlooper	Robertson
Byrd	Hoey	Saltonstall
Cain	Holland	Schoeppel
Capehart	Ives	Smith, Maine
Chapman	Kem	Thomas, Utah
Donnell	Kilgore	Thye
Douglas	Lucas	Williams
Ferguson	McMahon	Withers
Flanders	Magnuson	

NOT VOTING—21

Brewster	Knowland	Smith, N. J.
Chavez	Leahy	Sparkman
Dulles	Lodge	Taft
Ellender	McCarran	Tobey
Frear	Malone	Tydings
Humphrey	Neely	Vandenberg
Jenner	Reed	Wherry

So the amendment offered by Mr. YOUNG, for himself and Mr. RUSSELL, was rejected.

ANNOUNCEMENT AS TO REMAINDER OF PROGRAM FOR THE DAY

Mr. LUCAS. Mr. President, I desire to make this brief announcement with respect to the program this afternoon. We hope to finish the farm bill this afternoon, and following that we shall take up the nomination of Judge Minton. I made this announcement yesterday, and I repeat it at this time in view of the fact that nearly all Senators are present. It is necessary to dispose of the nomination of Judge Minton today, even if we have to hold a night session.

Mr. SALTONSTALL. Mr. President, does that mean that we shall work continuously, or will there be a dinner hour?

Mr. LUCAS. We shall meet that question when we reach it. If we have to have a night session, I presume we shall have an hour for dinner, because I know the Senator from Massachusetts loves his dinner.

Mr. SALTONSTALL. Mr. President, I shall make no comment on that.

NOMINATION OF LELAND OLDS TO BE A MEMBER OF THE FEDERAL POWER COMMISSION

The VICE PRESIDENT. The Chair lays before the Senate a communication from the President of the United States, enclosing a copy of a letter from him to the Senator from Colorado [Mr. JOHNSON], chairman of the Committee on Interstate and Foreign Commerce. The Secretary will read both the communication and the enclosure.

The Chief Clerk read as follows:

THE WHITE HOUSE,
Washington, October 3, 1949.

Hon. ALBEN W. BARKLEY,
Vice President of the United States,
Washington, D. C.

DEAR MR. VICE PRESIDENT: I transmit herewith a copy of a letter I have sent to Senator JOHNSON of Colorado concerning the nomination of Leland Olds to be a member of the Federal Power Commission.

I shall be grateful if you will bring this letter to the attention of the Senate.

Very sincerely yours,

HARRY S. TRUMAN.

OCTOBER 3, 1949.

Hon. EDWIN C. JOHNSON,
United States Senate,
Washington, D. C.

DEAR SENATOR JOHNSON: Your committee is considering the nomination of Leland Olds to be a member of the Federal Power Commission. Because of the nature of the opposition that has been expressed to his confirmation, I would like to take this means of emphasizing the great importance which attaches to this nomination as a matter of the public interest.

The decision on this nomination will have an important influence on the future effectiveness of the public regulation of the great interstate public utilities in this country.

Mr. Olds is a nationally recognized champion of effective utility regulation; his record shows that he is also a champion of fair regulation. He has already served two full terms as a member of the Federal Power Commission. In this capacity he has served ably and loyally in regulating the basic power and gas industries. The quality of his service is attested by the witnesses who have appeared in his behalf before your committee. These witnesses represent millions of people throughout the Nation including labor, agriculture, municipal officials, State regulatory bodies, educators, and experts in the utility field.

However, Mr. Olds has also made enemies during his service on the Federal Power Commission. The powerful corporations subject to regulation by the Commission have not been pleased with Mr. Olds. They now seek to prevent his confirmation for another term. It will be most unfortunate if they should succeed. We cannot allow great corporations to dominate the commissions which have been created to regulate them.

I am aware of the efforts that have been made to discredit Mr. Olds before your committee. Nothing has been presented in testimony there which raises any doubt in my mind as to his integrity, loyalty, or ability. Much that has been said about him is largely beside the point. The issue before us is not whether we agree with everything Mr. Olds may have ever said or even whether we agree with all of his actions as a member of the Federal Power Commission. The issue is whether his whole record is such as to lead us to believe that he will serve the Nation well as a member of the Federal Power Commission. I believe that he has provided us with the answer to that question beyond any reasonable doubt during his two terms on the Commission where he has labored diligently in the service of all the people and has earnestly sought to protect the public against the narrow interests of special groups.

I feel sure that you will agree with me that the nomination of Leland Olds should be confirmed. I hope that you will call this letter to the attention of your committee and, in view of the great importance of this matter, I am sending a copy of this letter to the Vice President with the request that he bring it to the attention of the Senate.

Very sincerely yours,

HARRY S. TRUMAN.

Mr. JOHNSON of Colorado. Mr. President, the letter which was just read into the RECORD was received in my office last evening, in fact, after I had left my office. I have written a reply to the President, and have dispatched it by special messenger, and in order to have the RECORD complete I should like to read into the RECORD my reply to the President. It is dated today. The President's letter was dated yesterday. My letter is as follows:

OCTOBER 4, 1949.

Hon. HARRY S. TRUMAN,
The President, Washington, D. C.

DEAR MR. PRESIDENT: This will acknowledge with appreciation your letter of yesterday with respect to the nomination of Leland S. Olds to the Federal Power Commission. No nomination referred to the Interstate and Foreign Commerce Committee within my memory has been considered more thoroughly than has the nomination of Mr. Olds.

A subcommittee has just completed hearings in which everyone desiring to testify was given a full opportunity. Thirty-four witnesses were heard, and numerous written statements, letters, and telegrams for and against Mr. Olds were placed in the RECORD. No representative of the corporations which you classify as being under regulation by the Power Commission asked to be heard and none was heard. I was lobbied by numerous persons on behalf of Mr. Olds and by no representatives of any corporation opposed to him. Other members of the committee assure me that is their experience also.

After weighing all the testimony with great care and most painstaking consideration this subcommittee voted 7 to 0 against his confirmation. Before a vote was taken your letter was read and reread and thoroughly discussed. Most members of the committee are reluctant to oppose a Presidential nomination.

The subcommittee was shocked beyond description by the political and economic views expressed by Mr. Olds some years ago. We cannot believe that a person under our democratic capitalistic system holding such views is qualified to act in a quasi-judicial capacity in the regulation of industry.

I feel very certain these radical views have never been brought to your attention and I will therefore include herewith a few excerpts:

"Capitalism in the United States is rapidly passing into the stage which has marked the decay of many earlier social orders, the stage in which a dominant owning class ceases to perform a function in the business of society. * * * The owners exist only, a privileged class of parasites whose idleness and dissipation become an increasing stench in the nostrils of the people." (Leland Olds, Federated Press Labor Letter, January 24, 1929, p. 1.)

"The manipulation of democratic institutions by this wealthy autocracy forces labor to seek other than constitutional processes." (Leland Olds, Federated Press Labor Letter, May 11, 1927, p. 1.)

"Here is certainly a breach which may widen until the sanctity of private property in the capitalist sense follows the divine right of kings into discard. Inevitable changes in the economic organizations of society are exposing it as just another myth preached in the interest of a small class seeking to retain power and privilege." (Leland Olds, Federated Press Labor Letter, July 28, 1927, p. 1.)

"The opposition of the United Mine Workers to competitive wages can only be made effective through the elimination of competitive private capitalism. The miners have two alternatives: To develop, along with the rest of organized labor, political power sufficient to put over nationalization, or to seek control by the workers themselves under a worker government." (Leland Olds, Federated Press Labor Letter, April 6, 1927.)

"Lenin knew what would take the place of political partyism when he made his bid for power in Russia with the slogan 'All Power to the Soviets.' * * * That change is coming in America. Upon labor's advance preparation will depend its share in the new apportionment of authority." (Leland Olds, Federated Press Labor Letter, November 11, 1925.)

"To millions of workers slaving throughout the world to provide the tribute enacted by the American dollar empire the Fourth of July will loom as anything but the birthday of liberty. They will view it as the day set apart by the world's greatest exploiters to glorify their rise to power." (Leland Olds, Federated Press, the Daily Worker, July 5, 1928.)

Mr. President, all the quotations which I have read were published by the Federated Press and the Daily Worker, and they were written by Leland Olds.

I now continue reading from my letter to the President:

The committee found Mr. Olds glib of tongue and very convincing. Like many crusaders for foreign ideologies, he has an attractive personality and is disarming to a very high degree.

It is very distressing to me personally to oppose anyone whom you have nominated for high office and I have gone along on many occasions, but after hearing all of the testimony and reading the evidence I could not in good conscience vote to report this nomination favorably.

With great respect, I am,

Faithfully yours,

ED. C. JOHNSON.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1834) for the relief of the widow of Robert V. Holland.

The message also announced that the House had passed the bill (S. 1479) to discontinue the operation of village delivery service in second-class post offices, to transfer village carriers in such offices to the city delivery service, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a joint resolution (H. J. Res. 340) to clarify the status of the Architect of the Capitol under the Federal Property and Administrative Services Act of 1949, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 934. An act to provide for the detention, care, and treatment of persons of unsound mind in certain Federal reservations in Virginia and Maryland;

S. 1407. An act to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes;

S. 2085. An act to amend the Employment Act of 1946 with respect to the Joint Committee on the Economic Report; and

H. R. 5328. An act authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles, and referred, as indicated:

H. R. 1185. An act to incorporate the National Safety Council;

H. R. 3793. An act to provide for the furnishing of quarters at Brunswick, Ga., for the United States District Court for the Southern District of Georgia;

H. R. 5002. An act to incorporate the Reserve Officers Association of the United States;

H. R. 5166. An act to extend the laws of the United States relating to civil acts or offenses consummated or committed on the high seas on board a vessel belonging to the United States, to the Midway Islands, Wake Island, Johnston Island, Sand Island, Kingman Reef, Kure Island, Baker Island, Howland Island, Jarvis Island, Canton Island, and Enderbury Island, and for other purposes;

H. R. 5191. An act to provide for the furnishing of quarters at Thomasville, Ga., for the United States District Court for the Middle District of Georgia;

H. J. Res. 23. Joint resolution designating November 19, 1949, the anniversary of Lincoln's Gettysburg Address, as Dedication Day; and

H. J. Res. 184. Joint resolution authorizing the President of the United States of America to proclaim February 6, 1950, as National Children's Dental Health Day; to the Committee on the Judiciary.

H. R. 5368. An act to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes; to the Committee on Armed Services.

H. R. 5951. An act to amend section 3 of the Travel Expense Act of 1949; and

H. J. Res. 340. Joint resolution to clarify the status of the Architect of the Capitol under the Federal Property and Administrative Services Act of 1949; to the Committee on Expenditures in the Executive Departments.

H. R. 2196. An act to authorize the elimination of lands from the Flathead Indian irrigation project, Montana; to the Committee on Interstate and Foreign Commerce.

H. R. 5866. An act to adjust and define the boundary between Great Smoky Mountains National Park and the Cherokee-Pisgah-Nantahala National Forests, and for other purposes; and

H. R. 5872. An act to extend the boundaries of the Toiyabe National Forest in the State of Nevada; to the Committee on Interior and Insular Affairs.

H. R. 3419. An act to amend the Merchant Ship Sales Act of 1946; and

H. R. 5305. An act to increase the retired pay of certain members of the former Lighthouse Service; to the Committee on Interstate and Foreign Commerce.

H. R. 5674. An act to extend the time for the collection of tolls to amortize the cost, including reasonable interest and financing cost, of the construction of a bridge across the Missouri River at Brownsville, Nebr.; to the Committee on Public Works.

SICK AND EMERGENCY LEAVE WITH PAY FOR TEACHERS, ETC., OF THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mrs. SMITH of Maine. Mr. President, I submit a conference report on House bill 4381, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4381) to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3 and 4.

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

MARGARET CHASE SMITH,
ROBERT C. HENDRICKSON,
J. ALLEN FREAR, Jr.,
Managers on the Part of the Senate.

T. G. ABERNETHY,
HOWARD W. SMITH,
A. L. MILLER,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

STABILIZATION OF PRICES OF AGRICULTURAL COMMODITIES

The Senate resumed the consideration of the bill (S. 2522) to stabilize prices of agricultural commodities.

Mr. MAGNUSON. Mr. President, I have two amendments on the desk, and although one complements the other, I should like very briefly to discuss them separately. I ask that the clerk state the first amendment.

The VICE PRESIDENT. The Chair understands that the two amendments are to be voted or together?

Mr. MAGNUSON. In view of the discussion yesterday, I ask that the amendments be voted on separately.

The VICE PRESIDENT. Without objection, it is so ordered, and the Secretary will state the first amendment offered by the Senator from Washington.

The LEGISLATIVE CLERK. On page 16, line 16, it is proposed to insert the following:

SEC. 416. Subsection (f) of section 22 of the Agricultural Adjustment Act, as reenacted by section 3 of the Agricultural Act of 1948 (Public Law 897, 80th Cong.), is hereby amended to read as follows:

"(f) No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States which does not reserve to the United States the unconditional right to unilaterally impose the fees and quantitative limitations on imports provided for in this section; and no such treaty, trade agreement, or other international obligation now in force shall be renewed, extended, or allowed to extend beyond its permissible termination date, without the inclusion of such reservation."

Mr. MAGNUSON obtained the floor.

Mr. ROBERTSON. Mr. President, will the Senator yield for two brief questions I should like to have him discuss in explaining his amendment?

Mr. MAGNUSON. I yield to the Senator from Virginia.

Mr. ROBERTSON. Is it not true that under the Senator's amendment all the reciprocal trade agreements, the three Geneva treaties, the subsequent Geneva treaties, and the Annecy treaties, when promulgated, will have to be renegotiated, because the three Geneva treaties contain provision for a 6 months' period of notice, the subsequent Geneva treaties contain a 60-day notice period, and, of course, I do not know what the Annecy treaty contains, but I take it that it will be not less than 60 days?

Secondly, under existing law, when damage is threatened to American agriculture as a result of foreign imports, it is the privilege of the Secretary of Agriculture, who is a member of the Interdepartmental Committee, in recommending trade agreements, to make representations to the President of existing threatened injuries, who is then required to refer the question to the Tariff Commission for its recommendations, and then he takes final action. As I understand the Senator's amendment, the Tariff Commission will be completely eliminated. The Secretary of Agriculture can make the recommendations to the President, and he is to be bound by them, although he is the one to put them into effect.

Mr. MAGNUSON. Mr. President, I can answer the two questions very briefly. The first question is whether or not the amendment affects the reciprocal trade agreements now in effect. The answer to that is no. It affects none of the agreements, and its only effect on the over-all basic agreement at Geneva would be to carry out what the representatives at Geneva themselves agreed to and understood the United States would have as an agricultural policy relating to import fees and exports, the so-called escape clause, whereby the President could impose import fees when he thought any agricultural product was being seriously damaged, either through domestic conditions, foreign imports, or through a combination of both.

The second question relates to the second amendment, which I am not pressing too hard. I believe it does circumvent the Tariff Commission in these matters. I believe the Secretary of Agriculture would know more about the matter. He would be able to act more quickly, and foreign importation questions are usually matters in which action should be had quickly. The second amendment applies only to that. I am primarily concerned with the first amendment which I hope to discuss.

Mr. ROBERTSON. When the distinguished Senator from Washington says that his amendment would not require the renegotiation of these treaties, will he tell us whether he has consulted with any official of the State Department or the Tariff Commission on that technical issue?

Mr. MAGNUSON. I have consulted on many occasions with the Tariff Commission. I have not asked the State Department directly, but insofar as I know, there is no intention to interfere with the reciprocal trade agreements now in effect, and if the language of the amendment can be so interpreted, I do not know how anyone can come to that conclusion from reading it.

Mr. ROBERTSON. The Chairman of the Tariff Commission told me expressly today, on this very point, after the debate yesterday on the Senator's amendment, that it would require the renegotiation, so far as he knew, of all trade agreements.

Mr. MAGNUSON. I disagree with him, and it is not so intended.

Let me say to the Senate that this is a very simple amendment, although the words may be technical. Under the clear mandate and the intent of Congress in section 22 of the Agricultural Act, as amended in 1948, the President has a right to impose import duties or import fees when he feels that imports of a certain product are coming into this country to a degree which seriously impairs the price-support program of the United States as to any basic product. He can do that now. It does not interfere with any tariff in existence, and it is of a temporary nature, to meet only a specific situation which may occur; for instance, the situation last year involved the importation of Canadian potatoes.

Section 22 of the act, as it now reads, provides:

No part of the relief provided for in section 22 may be enforced in contravention of a trade agreement.

My amendment merely turns that around and says that no trade agreement shall be made in the future which will be in contravention of this express and mandatory policy toward American agriculture. That is all the amendment does.

It does not involve the tariff agreements at all. It merely says that in making tariff agreements in the future, there shall be taken into consideration the expressed intention of section 22, that in cases where the importation of an agricultural product seriously jeopardizes not only our price-support program, but the economy of a basic agricultural product in this country, the President shall have the right then, which he has now, to impose import fees. They are limited, under his present authority, to 50 percent ad valorem. That is the maximum. That was all that is intended by the amendment.

The second amendment, supplementing the first, was offered by me and others supporting it with whom I talked because we have thought that in many cases, where a price-support program looked as if it were going to be jeopardized because of a great volume of imports of agricultural products, the Government would have to act quickly. We have found from sad experience that when the Secretary of Agriculture makes his findings, the case must then go to the Tariff Commission, which makes findings, then the case is referred back to the President and to the Interdepartmental Committee—which is the Secretary of Agriculture—and it sometimes takes so much time that the price-support program on an agricultural product may be completely handicapped.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MORSE. As I understand, the Senator from Washington is offering two amendments, which, for the sake of description, I shall call his long amendment and his short amendment. Am I correct in my understanding that the Senator from Washington is primarily interested in the adoption of his short amendment?

Mr. MAGNUSON. That is correct.

Mr. MORSE. The short amendment reads as follows, does it not?—

No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States which does not reserve to the United States the unconditional right to unilaterally impose the fees and quantitative limitations on imports provided for in this section; and no such treaty, trade agreement, or other international obligation now in force shall be renewed, extended, or allowed to extend beyond its permissible termination date, without the inclusion of such reservation.

Mr. MAGNUSON. That is correct.

Mr. MORSE. That is the short amendment?

Mr. MAGNUSON. Yes.

Mr. MORSE. Does the Senator from Washington agree with me that there is not a word or syllable in his short amendment which seeks in any way to limit or interfere with the operation of the present procedures of the Tariff Commission so far as collecting data in respect to reciprocal-trade problems is concerned?

Mr. MAGNUSON. Nothing whatsoever.

Mr. MORSE. Practically the same procedure will be followed in the future, if the amendment shall be agreed to, as that presently followed?

Mr. MAGNUSON. That is true.

Mr. MORSE. Is it true that the Senator from Washington is offering this amendment because he has had many experiences similar to those of the junior Senator from Oregon, that when we find that a reciprocal-trade agreement being negotiated by the State Department, or having been negotiated by the State Department, threatens to or does do injury to various segments of the domestic agricultural industry, and we raise the issue with the State Department, we get the uniform answer that of course the State Department is simply carrying out the terms and provisions and conditions of the Reciprocal Trade Agreements Act?

Mr. MAGNUSON. That is correct.

Mr. MORSE. Has it been the experience of the Senator from Washington that when it comes to seeking to call the attention of officials of the State Department to the deleterious effect upon the agricultural industry of some of these negotiations and agreements, we run into what might be described as a surprising lack of understanding and information within the State Department as to the economic problems of American farmers?

Mr. MAGNUSON. I would say that that is a fair analysis of their seemingly continuing attitude on these matters.

Mr. MORSE. At least has it not been the experience of the Senator from Washington, similar to the experience of the junior Senator from Oregon, that attempts to induce the State Department to modify their negotiations in respect to reciprocal trade agreeemnts affecting agricultural products have never borne fruit?

Mr. MAGNUSON. They have never borne fruit.

Mr. MORSE. Is it the experience of the Senator from Washington, as it is that of the Senator from Oregon, that the common reply from the State Department is that, "Of course, if we are going to carry on international trade relations there are bound to be some losses accruing to American industry, including American agriculture"; and that they use that as their stock argument and answer in an attempt to rationalize and justify a reciprocal trade agreement which in effect discriminates unfairly against the American farmer?

Mr. MAGNUSON. The Senator is correct. That is why I think the proposed clarification of section 22 should be made. In the Agricultural Act we have given the President the right to impose import fees of a temporary nature when there is some threatened jeopardy to an American agricultural product. That does not have anything to do with the tariff on the product. The tariff on the product is set. The President is given the right to impose a temporary import fee on a product when our price-support program is being jeopardized. The tariff on the product already exists.

Let us consider, for instance, the tree nut industry. State Department officials say, "We cannot do anything but follow the reciprocal trade agreement." They in effect hide behind it. There was no such intent in the original Agricultural Act. I wish the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Virginia [Mr. ROBERTSON] who asked questions about the effect of the amendment on reciprocal trade agreements, were present. The amendment does not touch trade agreements at all. It merely provides that in the future, when reciprocal trade agreements with other countries are being negotiated or agreements which are in effect are being extended, attention shall be paid to section 22 and to the mandate and intent of Congress, as set forth in section 22, and that if an agricultural product is placed in jeopardy the President shall have the right, as a temporary matter, to impose import fees up to 50 percent ad valorem.

Mr. MORSE. Will the Senator yield and permit me to ask a few questions? I think we could handle the situation in a better manner if I were to ask the Senator questions and he were to answer them, than if I were to deliver the speech on this program which I have in my system. I think we can take care of the situation in a better way by handling it in question and answer form.

It is true, is it not, that the application of the Senator's amendment is in futuro?

Mr. MAGNUSON. That is correct.

Mr. MORSE. It is not the intent and the language does not provide for having any effect on existing negotiated reciprocal trade agreements?

Mr. MAGNUSON. As a matter of fact, if my amendment is adopted, section 22 will read:

> No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States—

And so on.

Mr. MORSE. Mr. President, does the Senator from Washington agree with the Senator from Oregon that one of the best effects of his amendment will be to serve a clear notice on the State Department and, incidentally, on the Secretary of Agriculture, too, that it is the intent of the Congress of the United States that those two departments, in connection with the reciprocal trade program in the future, shall take clear note of the intent of the Congress that reciprocal trade agreements shall be negotiated on a basis that does not discriminate to the detriment of American agriculture?

Mr. MAGNUSON. That is correct. It will also serve notice on them that section 22, which has been for a long time carried in the act, but has never been clarified, is clarified by this amendment.

Mr. MORSE. In terms of specific products based upon the experienced of the Senator from Washington and the Senator from Oregon in relation to both the State Department and the Department of Agriculture, I should like to ask the Senator from Washington if it has not also been his experience, as it has been mine, that in connection, for example, with the tree nut industry, we have not been able to get to first base with either department, and particularly with the State Department, in the past few years, in trying to bring about the reasonable protection to which the farmers producing tree nuts are entitled, insofar as the negotiating of reciprocal trade agreements in respect to their product is concerned?

Mr. MAGNUSON. That is correct. On yesterday, using that particular illustration, I placed in the RECORD a chronological history of the attempted steps of many of us, including the Senator from Oregon, to get something done on this matter, and it took us almost 15 months. By that time it was too late.

Mr. MORSE. I am familiar with the material which the Senator placed in the RECORD, and I wish to say that he performed a great service by placing it in the RECORD. But, in order to enlarge a little further upon this specific problem—and the amendment should be considered in its relation to specific problems, and if we study it in that way I think we will see its clear merits—in respect to the nut industry, affecting many thousands of acres of nut trees existing in the State of Washington and in the State of Oregon, as well as in other States, is it not true that it requires from 5 to 12 years, depending upon climatic conditions, and the particular type of nut involved, for the farmer to get his orchard in producing condition?

Mr. MAGNUSON. That is correct.

Mr. MORSE. Is it not true that once the farmer gets his orchard into producing condition, officials in the State Department, sitting at Geneva, apparently without the slightest comprehension of the problems involved in producing an orchard of trees bearing nuts, can in a very short space of time in effect wipe out, destroy, and confiscate the productive value of a farmer's orchard because they negotiate an agreement which affects the market in this country to such an extent that the farmer cannot even afford to pick the products of his trees?

Mr. MAGNUSON. That is correct; but I do not want to limit our experience in that regard to the tree nut. It applies to a great many other products.

Mr. MORSE. I will come to them in a minute.

Mr. MAGNUSON. For instance, we have negotiated a trade agreement, with which I am in favor, with Canada. In many respects it is a good trade agreement. But let us consider Canadian fruit. Congress has said in the basic law that when perishable Canadian fruit is dumped into the United States, the President shall have the right to impose import fees which are not in violation of the trade agreement, the import fees to protect the situation temporarily. But the State Department says, "We cannot touch this. We do not want to touch it, because we have a reciprocal trade agreement." This program is independent of the reciprocal trade agreements, and was

so designated by the Congress when we wrote section 22 in the original act.

Mr. MORSE. Mr. President, I have only two or three additional questions to ask the Senator, because his last statement, in broad outline, answers other questions which I had intended to ask him.

Let me put this general question: Is not the illustration which I have used in connection with the tree nut industry equally true of the fruit industry in general, and equally true of all other agricultural products in relation to which reciprocal trade agreements have been negotiated to the detriment of the American farmers concerned?

Mr. MAGNUSON. Yes; and I will say to the Senator from Oregon further that we are now talking about agricultural products not under the price support program. The situation described is doubly applicable to the basic products which are under the price support program, which costs us a great deal of money, and which we are willing to support. However, the real reason for section 22, and the real reason for this attempted clarification, is that unless the President has the right to take such action and do it quickly and in a temporary way, we can waste all the money which we spend for price supports in connection with basic agricultural products.

Mr. MORSE. Does the Senator from Washington agree with the junior Senator from Oregon on a point of view expressed by him some months ago in a speech in the Senate on the general question of the effect of reciprocal trade agreements upon agricultural products, namely, that among the farm population of America there is a rising tide of criticism and out-and-out opposition to the reciprocal trade program as a matter of national policy, because more and more farmers are becoming convinced that American agriculture is being discriminated against in connection with the reciprocal trade program?

Mr. MAGNUSON. I could join partially with the Senator from Oregon in that statement. However, I wish to point out that there has been the feeling that agricultural products are in a different category than other products which are the subject of negotiation. That is why, in the original act, we allowed flexibility. We allowed the President to impose import fees when an agricultural product or a price-support program was being damaged or jeopardized.

I know how these things happen in negotiations. We are for reciprocal trade agreements, and want to continue them. This amendment does not affect them at all. It simply provides that in future negotiations the negotiators shall pay attention to the intent of Congress as expressed in section 22. The President would have the right to impose import fees on an agricultural product the imports of which might be jeopardizing the price-support program which we are attempting to enact.

Strangely enough, in the basic Geneva agreement, which is perhaps the blueprint for all other trade agreements, and which was signed by the 23 nations involved, there is a paragraph in which it is recognized that this is our farm policy, and that even though we negotiate trade agreements, they are still subject to the exception that if some agricultural product is being jeopardized, the President shall have the right, supplementing the trade agreement, to add import fees as a temporary measure. This action is only temporary. It does not affect the tariff at all. It does not affect at all the trade agreements in existence.

Mr. MORSE. Mr. President, I should like to ask two additional questions.

Of course, the Senator is aware that since he has been in the Senate the junior Senator from Oregon has always supported the reciprocal trade agreements program, and intends to continue to support the principle of a reciprocal trade agreements program.

Mr. MAGNUSON. That is also true of the Senator from Washington.

Mr. MORSE. We have always joined in support of the principle of reciprocal trade agreements. But does not the Senator agree with me that that places upon us the added responsibility, as proponents of reciprocal trade policies, to do everything within our power to see to it that procedure is written into the law so that those who negotiate reciprocal trade agreements may not negotiate agreements to the unreasonable injury and detriment of American farmers?

Mr. MAGNUSON. That is correct—or in violation of any other law enacted by Congress which establishes a basic agricultural policy.

Mr. MORSE. I agree with the Senator.

The last question I wish to ask the Senator is this: Does the Senator from Washington agree with the junior Senator from Oregon that if our Government is to persist in negotiating reciprocal trade agreements which result in unfair discrimination and gross injustice to American agriculture, then it is the duty of the Government to see to it that the burden of such losses is spread over the American population as a whole, and not borne to such an unreasonable degree by one segment of our population, namely, the American farmer?

Mr. MAGNUSON. The Senator is correct. This amendment would provide machinery for action in that field.

In one paragraph the National Grange has stated what this amendment involves. I have before me a copy of a telegram sent by the National Grange to the chairman of the Senate Committee on Agriculture and Forestry. I quote from the telegram:

> We favor Magnuson amendment to section 22, paragraph (f), Agricultural Act, for without such provision way is open for other nations to take advantage of our support-price programs, making them practically ineffective.

If I were to add to that, I could cite specific instances in which that has happened.

Mr. MORSE. I thank the Senator from Washington. I intend to support his brief amendment, and I completely agree with the telegram which the Grange has sent.

Mr. MAGNUSON. The telegram is signed by A. S. Goss, master of the National Grange. I presume it was sent to other members of the Committee on Agriculture and Forestry.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CAIN. If the short amendment which has been offered by my colleague is adopted, will not the actual result be that the State Department's theory that executive trade agreements can either repeal or nullify section 22 will be denied by the Congress?

Mr. MAGNUSON. I hope that will be the effect. That is my intention.

Mr. CAIN. That is the purpose of the amendment, is it not?

Mr. MAGNUSON. That is the purpose of the amendment.

Mr. CAIN. I should like to ask one further question, if I may. Has the junior Senator from Washington been correctly informed, that his senior colleague's pending amendment was suggested during the debate on the extension of the Reciprocal Trade Agreements Act? As I understand, the senior Senator from Georgia [Mr. GEORGE] expressed considerable sympathy with the amendment, but thought it should more properly be offered at this time, to the farm bill, than to the bill extending the Reciprocal Trade Agreements Act.

Mr. MAGNUSON. I deeply appreciate having my colleague recall that matter to my attention. We had this amendment prepared in connection with the Reciprocal Trade Agreements Act extension, and I discussed it with several Senators. Because it really has nothing to do with reciprocal trade agreements, its proper place is in the farm bill. It merely carries out what Congress said previously in section 22.

Mr. CAIN. I wish to associate myself with the views which the Senator has expressed in support of his short amendment.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. I think the senior Senator from Georgia, who is present, had better speak for himself on this question. I am reliably informed that he does not agree that this is a proper amendment to the pending bill. I do not think this is the proper place for it, and I do not believe the Senator from Georgia thinks so. However, I should like to have him speak for himself.

Mr. MAGNUSON. A few moments ago I spoke briefly with the senior Senator from Georgia. He said that he had not read all of the amendment, but we discussed this question at the time when the extension of the Reciprocal Trade Agreements Act was under consideration. At that time he thought that the proper place for this type of amendment was in another bill, and not in the bill for the extension of the Reciprocal Trade Agreements Act.

Mr. FULBRIGHT. Mr. President, will the Senator further yield?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. From what I understand as to the position of the senior

Senator from Georgia, I do not believe that he favors the amendment in this bill. I think he favors provisions of this kind being inserted in agreements as they are made. This amendment is similar to the provision contained in present agreements, which provide that whenever an article is under restriction in this country—which is apparently true of practically all basic commodities which are supported—the President has the power to take the action proposed. That provision is in existing treaties. That is the place for such a provision, rather than in this legislation.

Mr. MAGNUSON. If the Senator feels that way about it, then section 22 should be entirely eliminated from the bill. Congress has considered this matter many times. Inasmuch as section 22 is now in the bill, certainly my amendment is clearly not only germane, but proper.

Section 22 now reads:

No proclamation under this section—

Which provides authority for the President to impose import fees—

shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

If my amendment were carried out, it would reverse that, and would say that an agreement in contravention of section 22 could not be entered into.

Mr. FULBRIGHT. If the amendment were agreed to, no agreements could be made; no other country would accept an agreement in which the United States reserved the right to act unilaterally in such respects. I do not know of any existing treaty in which the United States reserves the right to act unilaterally in such a way; but that is what the amendment would permit.

Mr. MAGNUSON. Of course, Mr. President, may I say to the Senator from Arkansas that the authority now vested in the President in connection with this matter is a very limited authority, and is a temporary one, which would be used only after public hearings were held, as now provided in the law, and only when there would be serious jeopardy to a United States agricultural product; and the fee then imposed could not exceed 50 percent ad valorem; it could not touch the tariff at all, and would be only of a temporary nature.

Mr. FULBRIGHT. The Senator's amendment has nothing of that sort in it, but it is an unconditional right unilaterally to impose fees and quantitative limitations.

Mr. MAGNUSON. If the Senator will read the bill in the full, he will observe that section 22 has many provisions. I have referred to the general provision regarding this matter, but section 22 has many provisions in regard to how the matter would be carried out.

Mr. KEFAUVER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Washington yield to the Senator from Tennessee?

Mr. MAGNUSON. I yield.

Mr. KEFAUVER. Will the Senator inform us whether any other country with whom we do business under a reciprocal trade agreement has the right unilaterally to impose import fees on products which we may send to that country?

Mr. MAGNUSON. Some do yes; but they negotiate ahead of time with the other party to the treaty, and such arrangements are agreed to.

Mr. KEFAUVER. But unless they are negotiated, no country has a right arbitrarily to add, unilaterally, an additional fee which in essence would violate the terms of the agreement or would be contrary to its terms. Is not that correct?

Mr. MAGNUSON. No. Many countries who are parties to such agreements retain the right, just as we have done, to do certain things within certain limitations; and when they negotiate the treaty it is understood that that may be done in certain emergency cases.

I have not read all the reciprocal trade agreements, but I know that some countries which have flexibility in their agricultural economies reserve the right to do certain things under certain conditions; and we negotiate treaties with them with that understanding. For instance, we have with Canada a treaty based on a sliding scale by which we establish quotas. We have negotiated reciprocal trade agreements with Canada and with Mexico, and in those treaties a sliding scale is provided; and in that connection we can unilaterally say, "This year only so much of product X can come in. Next year, so much of it can come in"—provided we do that within the framework of the treaty.

All the amendment does is to say that, within the framework of the treaty, in the future section 22 may be taken into consideration, where emergency action by the President is needed, but within the limitations here provided, so as to provide protection for a product within the price-support provisions, in connection with the expenditure of the taxpayers' funds, as provided.

Mr. KEFAUVER. But, of course, under the agreement, each country must know its rights in that connection; and unless it is agreed in the agreement that one of the parties to it may unilaterally place fees and limitations and restrictions on imports, the amendment would seem to me almost to negative the entire trade agreements program.

Mr. MAGNUSON. I agree entirely that such an understanding should be had at the time when the agreements are negotiated. The other party to the agreement would have to know of that situation, and perhaps it would not agree to accept such a provision. But if we are not to have this as part of our basic agricultural policy, then we should delete all of section 22 from the bill, and should remove all the power of the President to do this. At present, it is completely nullified.

The amendment has nothing to do with the tariffs which are arrived at in the reciprocal trade agreements.

Mr. KEFAUVER. I cannot see that section 22, as set forth in the memorandum I have, gives the President the authority which the Senator says it does.

Mr. MAGNUSON. If the Senator will read section 22 of the Agricultural Adjustment Act of 1948, as amended, including all the provisions of the section, he will see that the President now has vested in him by Congress the power and the authority to impose import fees. This amendment has nothing to do with the tariff now in existence on a particular product. But the Senator will see that under section 22 of the Agricultural Adjustment Act of 1948, as amended, the President now has the power to impose import fees if in his opinion the importation of a given product would seriously jeopardize the economy of that particular agricultural product in the United States. But the State Department holds to the contrary; it is hiding behind the cloak of the reciprocal trade agreements.

In the future when we negotiate these agreements, if we are to have this policy—and if we are not, let us throw it out of the bill—all the amendment will do is to say that when the parties sit down to negotiate, they should know that that is a part of the agricultural policy of the United States. If it can be worked into the reciprocal trade agreement, that will be fine. Naturally it would not be done without the agreement of the other country.

Mr. KEFAUVER. I am afraid there would not be much negotiation with other countries in that case.

Mr. MAGNUSON. Why not? The amendment provides only limited authority. It does not involve changes in connection with products on which agreements already are negotiated, but it only involves emergency situations affecting our agricultural economy.

Mr. KEFAUVER. I simply say that there would not be very much negotiation if this amendment were written into a reciprocal trade agreement proper. If the Senator's amendment were adopted, it would not be possible, in my opinion, to enter into an agreement saying that the import fee would be 10 cents or $1, or whatever amount might be determined upon, because under the Senator's amendment the right to fix the import fee is expressly reserved to the President, and nothing in the agreement could take away his right to change it or modify it in the future.

Mr. MAGNUSON. The President does not have to act in these matters at all; and he will not act unless he determines that he should do so, after the facts are presented to him. This provision is not mandatory. The President may or may not act.

Mr. KEFAUVER. But the other party to the negotiation would not know whether the President would act or would not act.

Mr. MAGNUSON. The other party to the agreement would simply have taken that possibility into consideration, in negotiating the agreement.

The Senator is a good lawyer, and I know he has drawn many contracts in which flexibility is provided for under a provision whereby one party may take certain unilateral action if certain conditions develop.

Mr. FULBRIGHT. Mr. President, if the Senator will yield, let me say that the amendment is mandatory, in that it reserves that right.

Mr. MAGNUSON. The Senator is correct; the reservation of the right is mandatory. But the action is permissive.

Mr. FULBRIGHT. I was pursuing the point raised by the Senator from Tennessee, namely, that if it is mandatory to put this reservation into every agreement, then I do not think we could make any agreements, if such an arbitrary reservation were to be included, namely, the unconditional right unilaterally to impose fees and quantitative limitations. Quantitative limitations, Mr. President, are the most stringent of all obstructions to the movement of trade. They are worse than fees and tariffs.

Mr. MAGNUSON. We have entered into all kinds of agreements containing such a provision, and also provision for quotas.

Mr. FULBRIGHT. As I tried to point out, it is possible to reserve in our present Geneva agreements—and we do—quantitative restrictions, when we have restrictions at home. That is a very different thing from including a blanket provision, that, without any condition, any kind of quota may be imposed. It seems to me no reasonable nation would ever accept such an agreement.

Mr. MAGNUSON. If the Senator will read all of section 2, he will find that all kinds of conditions are imposed, before the President can even exercise his permissive authority.

Mr. FULBRIGHT. The Senator is changing section 2, by taking the authority away from the President and giving it to the Secretary of Agriculture.

Mr. MAGNUSON. No; that relates to my second amendment, which, as I said, I am not pressing. It merely simplifies the procedure. I have had the experience of taking matters to the Tariff Commission, and having them held for at least a year, during which time the damage usually has been done.

Mr. FULBRIGHT. What the Senator is really complaining about is the administration of the Tariff Commission, is it not?

Mr. MAGNUSON. No.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MORSE. Will the Senator permit me to read a portion of article XI of the General Agreement on Tariffs and Trade, and then to ask the Senator whether his amendment is not entirely consistent with that article? Article XI reads as follows:

VOLUME I. GENERAL AGREEMENT ON TARIFFS AND TRADE

ARTICLE XI. GENERAL ELIMINATION OF QUANTITATIVE RESTRICTIONS

1. No prohibitions or restrictions other than duties, taxes, or other charges, whether made effective through quotas, import or export licenses, or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.

2. The provisions of paragraph 1 of this article shall not extend to the following:

(a) export prohibitions or restrictions temporarily applied to prevent or relieve critical shortages of foodstuffs or other products essential to the exporting contracting party;

(b) import and export prohibitions or restrictions necessary to the application of standards or regulations for the classification, grading, or marketing of commodities in international trade;

(c) import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of governmental measures which operate:

(i) to restrict the quantities of the like domestic product permitted to be marketed or produced, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted; or

(ii) to remove a temporary surplus of the like domestic product, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted, by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level—

I ask the Senator from Washington whether his amendment is not in fact in conformity with the principles of those procedures of the tariff agreement itself?

Mr. MAGNUSON. I appreciate the observation by the Senator from Oregon. I had the basic agreement with me yesterday. I do not have it in my papers today. But 23 nations said, "We are going into a world-wide program of reciprocal agreements and economic agreements." They laid out a basic blueprint as to how the agreements should be effected. In the basic blueprints they specifically say they will reserve the right to do this for agricultural products in an emergency. That is what I asked for in my amendment.

Mr. FULBRIGHT. If it is already in the agreements, why does the Senator seem to think it necessary to include it in the pending legislation?

Mr. MAGNUSON. Because the law provides certain methods of procedure, which have to be clarified, and because the State Department, whenever we have tried to do this, whenever the Congress has said it should be done, always hides behind a cloak and says, "Not the basic agreement, but an agreement with the particular country is causing this; we have a trade agreement, and we cannot act," or "we will not act." That is what happens. For instance, at the present time, Canada is flooding our market with apples. A specific trade agreement with Canada is cited, and we are told by the State Department, "Section 22 does not require anything to be done about it." We are told that the trade agreement itself—not the basic agreement—supersedes section 22. All I am trying to do is to reverse the procedure so that in the future the Department will not only pay attention to the basic policy, but will pay attention to their own restrictions included in the basic agreement.

Mr. MUNDT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from South Dakota?

Mr. MAGNUSON. I yield.

Mr. MUNDT. As I understand the purpose of the two amendments, I believe I can concur in them.

Mr. MAGNUSON. I am not pressing the second amendment, which is procedural in nature.

Mr. MUNDT. By the "second amendment", the Senator refers, does he not, to the longer of the two amendments?

Mr. MAGNUSON. I refer to the so-called long amendment. It is the amendment which provides the manner in which the facts are to be determined.

Mr. MUNDT. Is the Senator pressing the shorter amendment?

Mr. MAGNUSON. Yes.

Mr. MUNDT. It provides, as I understand, a twofold protection. In the first place, it protects the farmer against an undue influx of foreign competitive farm products, and it also protects the Treasury against having to put a support price on products which would maintain the level of the foreign imports.

Mr. MAGNUSON. It is to meet such situation as took place in connection with the potato program, for example.

Mr. MUNDT. In other words, briefly, it seems to apply the peril-point philosophy, which we were discussing the other day, to agricultural products.

Mr. MAGNUSON. I think it is something in the nature of a peril point. The difference is that in the peril-point provision discussed the other day, in the event of the peril point becoming an actuality, the matter came to Congress. In this case we follow the procedure laid down in the Agricultural Adjustment Act, which allows the President to act in an emergency. The peril-point legislation dealt with set tariffs. We are not dealing with set tariffs at all. We are not touching trade agreements.

Mr. MUNDT. The amendment provides a more vigorous and realistic protection than the peril-point philosophy, because when we reached the peril point, the President could still accept or reject the recommendations of the Tariff Commission, whereas the pending amendment creates a congressional policy which the President is expected to follow. Am I correct in that understanding?

Mr. MAGNUSON. He may do it. It is permissive with him. I think perhaps the best example I could cite is that of the potato program. The State Department said in effect, "We have a trade agreement with Canada providing that so many potatoes shall come into the United States." Whatever the tariff is on them, I do not know. In the meantime, we were loaded with domestic potatoes, and, as the Senator from New Mexico said, it cost the Treasury $250,000,000. In such a case the President could act by requiring an import fee on potatoes. The existing tariff is not affected, nor does it affect, except indirectly, the reciprocal trade agreement. It only follows out what has been said in the Congress.

Mr. MUNDT. I may say it so closely approximates the peril-point protective philosophy that it makes me think I am 100 percent in favor of the suggestion. I think it is worth while.

Mr. MAGNUSON. I might be thought to be inconsistent about the matter. I voted against the peril point, as I said yesterday, simply for the reason that it

required the matter to come back to Congress. I did not want to see a recurrence of the old log-rolling days in Congress in connection with tariffs. It dealt only with tariffs and it set amounts. This does not deal at all with tariffs. It does not touch them.

Mr. CAPEHART. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Indiana?

Mr. MAGNUSON. I yield.

Mr. CAPEHART. The Senator just made the statement that under the peril-point amendment the matter was referred back to Congress.

Mr. MAGNUSON. It did, as I understood the amendment.

Mr. CAPEHART. I am certain the able Senator did not understand it, because, if the President wanted to change it, all he had to do was to notify the Congress of his reasons, in which case the Congress would have had no dictatorial power over the matter at all. We simply asked the President, in the event he did certain things, to notify the Congress in writing, without any veto resting in the Congress. The pending amendment is exactly the same as the peril-point amendment we fought so hard to get through about 2 weeks ago, to protect all industry in America. The able Senator now wants to apply the peril-point principle to agricultural products. I am for the amendment. I shall vote for it, because I believe in its application to agriculture, just as I believe in its application to all other products of America. I think the amendment should be agreed to, as I thought the peril-point amendment should have been agreed to. I think it is only fair, equitable and honest that we protect all industry and protect everyone in America alike. If the time comes when the tariff is so low that imports imperil industry, and men and women are thrown out of work, our Government should protect industry and should protect men and women in their jobs.

Mr. MAGNUSON. I may say to the Senator from Indiana that I do not quite agree with him that my amendment is on all fours with the peril-point amendment. That amendment dealt with a matter on which Congress had never acted. My amendment deals with a matter as to which the Congressional intent has been long established, namely, agricultural products. It does not deal with tariffs; it merely deals with the permissive authority which the President now has to apply import fees of a temporary emergency nature to agricultural imports. Although it deals, of course, with the whole problem of reciprocity in trade agreements, it is an entirely different amendment.

Mr. President, I have with me the endorsement of this amendment by the National Grange. When the subject was being considered, prior to the reciprocal-trade-agreement debate, I talked with other agricultural leaders and representatives of agricultural organizations, and I have yet to find anyone opposed to my amendment. It seemed to me that it would clarify the situation and offer a means of permissive protection for American agriculture and would deal with many little knotty situations in which imports seriously jeopardize domestic agricultural products.

The Senator from New Mexico has said that if the last amendment offered had been adopted, the bill itself might as well not be passed. I can envision a situation in which the price-support program, which may be costing us a great deal of money, may be itself wrecked. As the Senator from New Mexico has pointed out, unless it be flexible and adjustable to the conditions of the economic situation at the time, we shall have trouble. Because of imports, we had a great deal of trouble, particularly with regard to certain items which were not even under the price-support program. Our reciprocal-trade agreements are flexible, and my amendment would make the operation of the law flexible with respect to agricultural products.

I shall not press my second amendment, because it merely changes the procedure. My "beef," to use a slang expression, regarding the Tariff Commission, is their seeming inability to arrive at a fundamental decision.

I hope my amendment will be adopted.

Mr. President, I do not like to put into the RECORD the whole basic agreement, but I should like to have printed in the RECORD article XI of the trade agreement entered into at Geneva, which specifically allows flexible unilateral action in trade agreements when they are negotiated.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARTICLE XI. GENERAL ELIMINATION OF QUANTITATIVE RESTRICTIONS

1. No prohibitions or restrictions other than duties, taxes, or other charges, whether made effective through quotas, import or export licenses, or other meaures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.

2. The provisions of paragraph 1 of this article shall not extend to the following:

(a) Export prohibitions or restrictions temporarily applied to prevent or relieve critical shortages of foodstuffs or other products essential to the exporting contracting party.

(b) Import and export prohibitions or restrictions necessary to the application of standards or regulations for the classification, grading, or marketing of commodities in international trade.

(c) Import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of governmental measures which operate—

(i) To restrict the quantities of the like domestic product permitted to be marketed or produced, or if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted; or

(ii) To remove a temporary surplus of the like domestic product, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted, by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level; or

(iii) To restrict the quantities permitted to be produced of any animal product the production of which is directly dependent, wholly or mainly, on the imported commodity, if the domestic production of that commodity is relatively negligible.

Any contracting party applying restrictions on the importation of any product pursuant to subparagraph (c) of this paragraph shall give public notice of the total quantity or value of the product permitted to be imported during a specified future period and of any change in such quantity or value. Moreover, any restrictions applied under (i) above shall not be such as will reduce the total of imports relative to the total of domestic production, as compared with the proportion which might reasonably be expected to rule between the two in the absence of restrictions. In determining this proportion, the contracting party shall pay due regard to the proportion prevailing during a previous representative period and to any special factors which may have affected or may be affecting the trade in the product concerned.

Throughout articles XI, XII, XIII, and XIV the terms "import restrictions" or "export restrictions" include restrictions made effective through state trading operations.

Mr. FULBRIGHT. Mr. President, I do not want to take much time on this question, because we argued it only a short time ago. This amendment is quite similar to the peril-point proposal, except that it is restricted to a very special program. I suspect it could be restricted to other than agricultural products.

I oppose the amendment on two or three grounds. My first ground is that I do not think a matter which is so important as is this one should be brought in at the last moment in connection with an agricultural bill without having been examined very closely and considered by the proper committee, which, in my opinion, would be the Finance Committee, dealing with our reciprocal trade agreements.

I am not at all sure that I understand all its implications, but I think it is very clear that this kind of a provision of an unconditional right unilaterally to impose fees and quantitative limitations would be unacceptable to practically all countries seeking to make any kind of an agreement. I am quite sure our own country would not accept such an agreement, and I cannot imagine that other nations would accept it.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. It is not an unconditional right. It is subject to conditions which the nations agreed to themselves in the basic Geneva agreement. It is conditioned on many things. They agreed to it in article XI of the basic trade agreement, if I correctly read it.

Mr. FULBRIGHT. I certainly do not want to pose as knowing all the answers in this field, but there is a disagreement between us as to whether this amendment should be included in the bill at the last minute. I do not think we appreciate all its implications.

On its face the language is very clear. I should like to read it:

(f) No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States which does not reserve to the United States the unconditional right to unilaterally impose the fees and quantitive limitations on imports provided for in this section.

That is an unconditional right unilaterally to impose fees and import

quotas. It is the right completely to stop all trade.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MUNDT. Of course, I agree with what the Senator has said about the amendment's being very closely analogous to the peril-point amendment, but because of that I feel that the Senator from Washington is certainly justified in offering it. It is not something new which is brought in as a last-minute amendment to a bill, because we argued peril points for 10 days on the floor of the Senate. This seeks not to extend them to all types of industry, but simply to agriculture. As the Senator has pointed out, using the term "import fees" instead of "tariffs" is a good deal like referring to excise taxes as Federal sales taxes.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. I am only carrying out the terms of what has been the practice for a long time. It is not unconditional at all.

Mr. MUNDT. I am supporting the Senator in his position. I think agriculture is entitled to this protection, although I must confess that the peril-point amendment was a little bit more moderate and workable, because it permitted the President to establish tariffs which would still permit a certain amount of imports. This amendment provides for an embargo of agricultural imports.

Mr. FULBRIGHT. The amendment is not so clear as I thought it was, and that is what led me to say that it required further study by the proper committee which is familiar with our reciprocal trade program. I think it should be submitted to the proper committee for study, even though it may be a small peril-point amendment.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. WILEY. A rose by any other name would smell as sweet.

Mr. FULBRIGHT. Or as sour; yes.

Mr. WILEY. Whether it is in the nature of an executive protective tariff or in the nature of a provision contained in the original agricultural act, for the protection of American producers, it does not make any difference what we call it. Are we not getting around to the point where we begin to realize that, after all, the American market is the best market in the world and that we had better utilize it for the American producer? Is not that about the size of it?

Mr. FULBRIGHT. With some qualifications. We also have quite an interest in foreign markets. The producers of a good many of the basic commodities which are in the program we are considering, and which we support, have a very substantial interest in their foreign markets. That is one thing some seem never to be able to admit—that in order to sell anything abroad we have to buy something. That part is always left out. As has often been remarked, we are all for protection for what is produced in our particular communities, but we are free traders for every other article, and this is just another instance.

In one sense, there is nothing new about this whole program. My basic objection is that here, in a really domestic agricultural bill, we are seeking to rewrite in a very substantial sense the reciprocal trade program which a short time ago we fought out at great length. The peril-point provision was defeated, whether Senators like it or not, and now there is an attempt to fight it all over again in connection with this agricultural bill, under another name, as the Senator from Wisconsin says.

I am quite unable to see the difference between an import fee and a tariff, though the Senator from Washington insists there is a great difference. On a particular commodity that is brought in there are so many dollars to be paid, whether it is a fee or a tariff. One may be permanent and the other may be temporary, but the effect on trade is just the same.

Mr. MAGNUSON. Mr. President, if the Senator will yield, in the case of the peril point, we were talking about a matter which was going to be enacted as a new intent of Congress. The provision we are discussing has been in the law for 2 years. It was a law for which the Senator from Arkansas himself voted, I imagine. I have not checked the record, but I know the Senator has always been a great friend of agriculture and the farmers, and he probably voted for the AAA bill. I am sure he did.

Mr. FULBRIGHT. I did.

Mr. MAGNUSON. If he did, he voted for the policy I am advocating.

Mr. FULBRIGHT. I am still for that law. In the long run, for all agriculture, not specifically tree nuts, or apples, or something else, but for all agriculture, including wheat, especially wheat, cotton, and tobacco, I think this provision would be a very bad thing, while it might have a very beneficial effect temporarily on apples or something else in excess supply.

American agriculture has two very great interests. The domestic market is not the only one. There is the export market. Both are important, and our foreign policy should be designed and administered to give maximum opportunity to farmers for both markets.

I happen to come from a section whose principal product is exported. Mine is not the only community, either, in that category. We are exporting a considerable quantity of wheat these days, and wheat is just as important as potatoes or apples.

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Arkansas yield to the Senator from Washington?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. I am sure the Senator would not want to create the impression that this is some sort of a sectional amendment. Potatoes and apples were used only as examples.

Mr. FULBRIGHT. I was citing them because the Senator did. I was not trying to be personal. The Senator used those examples. I did not originate the examples.

Mr. MAGNUSON. There is nothing sectional about the amendment.

Mr. FULBRIGHT. I was using the same examples the Senator had originated. I was merely calling attention to the fact that agriculture in this country has a very important stake in the foreign market. The matter of the peril point, which the Senate decided not so long ago, is inconsistent with our over-all objective of bringing about a greater amount of trade. I would say it is against the long-term interest of agriculture as a whole.

The quota proposition is the most difficult and most restrictive of all the obstacles to trade. We were told within the last week of the effort the ECA is making to get rid of quotas as among the European nations. That is the most encouraging thing they have told us, that they are now, as part of their recovery program, in the midst of a negotiation in which the Europeans are agreeing, as among themselves, to take off quotas on 50 percent of the articles which now bear them.

At the time we are asking these very countries to take off quotas, and to tear down the obstacles to international trade, if we now inject this mandatory provision into our law, and revert back to a provision which would make it possible for us to use the very quotas which we are asking them to discard, we are put in a completely hypocritical position with regard to the other countries.

I call the attention of Senators again to the fact that in the existing agreements, and in pursuance of the basic law, which the Senator has quoted, our negotiators have included in the various trade agreements the right to impose quotas in cases where domestic production is restricted. In other words, in all these instances, or practically all of them—I think all those involving the major crops—we are restricting where we provide support prices. We intend, we think—and as a practical matter that is the way it will operate, though there may be exceptions—that in those cases there shall be the right to impose quotas. But there is a great difference between imposing them in a trade agreement in general with the countries, and putting a mandatory provision in the law which applies to all international trade, without any restrictions at all. I cannot imagine that the other countries would be willing to accept this kind of a provision.

There is one other thing which bears directly on that, namely, the escape clause which is included in the agreements, which provides an orderly way by which all additional fees can be adopted under the procedures set up. I think that is ample protection.

I should like to make one other observation in that respect. I think the Senator may be complaining more about the way the provision is administered than the actual protections which are now included in the trade agreements, because they would appear to me to be ample, purely as a matter of provisions in the treaties themselves.

Mr. MUNDT. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield to the Senator from South Dakota.

Mr. MUNDT. The Senator from Arkansas has made much of what he calls the unilateral advantage which this would give the United States, if we take action independently. I do not believe that is the proper interpretation of the amendment, as I read it. I think this is simply a warning light which is run up in advance of the negotiations which would still be made multilaterally.

The Senator's repeated reference to unilateral action and its bearing upon international trade gives me a thought whereby perhaps we can justify now reconsidering the peril-point philosophy which we rejected by a close vote a week or two ago. Since our other vote, the British unilaterally have reduced the value of the pound, thereby reducing the protective capacity of our reciprocal trade agreements by some 33⅓ percent. We are therefore confronted with a different situation today.

Mr. MILLIKIN. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I wish to answer first the Senator from South Dakota, then I shall yield.

Mr. MUNDT. Let me conclude the sentence. I wanted to protect the Senator from Washington from any false charge of inconsistency, by virtue of the fact that we are faced with a different situation from that confronting us when we last voted on peril points. The devaluation of foreign currencies has changed conditions. There is a more acute situation today. Unilaterally the British have started that by the change in the value of their pound, and therefore I think the Senate is justified in reconsidering its decision and the debate regarding the peril point, which, I agree with the Senator, the pending amendment involves.

Mr. FULBRIGHT. The use of the word "unilaterally" in this connection is rather a strained one, because the British have been under great pressure from this country to reduce the value of the pound, and I doubt whether it is accurate to say it was unilateral.

Mr. MUNDT. The Senator is aware of the fact that the French are complaining it was not multilateral, is he not? At the very least, it was bilateral.

Mr. MAGNUSON. Mr. President, I hope, again, that we can get this matter clear. The peril-point provision was defeated in connection with the Reciprocal Trade Extension Act. We are now talking about whether we are for a peril point, or whatever one may call it, a matter which the Congress has already decided, for which the Senator from Arkansas voted. If he calls this a peril point, he voted for the peril point when we passed the AAA bill. So did I.

Mr. MUNDT. A year ago.

Mr. MAGNUSON. A year ago.

Mr. MUNDT. A year ago we also had the peril point writtten into the law.

Mr. FULBRIGHT. I do not agree with the Senator at all that I voted for a peril point. It is very different from section (f).

Mr. MAGNUSON. Mr. President, we all voted for section 22. I am only proposing to carry out what we voted for.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Colorado.

Mr. MILLIKIN. I merely wanted to make the observation, in connection with the remarks of the distinguished junior Senator from South Dakota [Mr. MUNDT] about the unilateral devaluation and its effects on our imports, that it also touches a subject about which the junior Senator from Arkansas [Mr. FULBRIGHT] is very tender, to wit, exports. It is in fact limiting our exports.

Mr. FULBRIGHT. It limits competition; that is true.

Mr. MILLIKIN. Whatever the Senator may call it, it reduces the hurdle over which imports have to pass into our market by 30 percent.

Mr. FULBRIGHT. There is no doubt about that.

Mr. MILLIKIN. It heightens the hurdle to our exporters by about 30 percent. Yes; it increases competition all right. It destroys a great amount of our business.

Mr. FULBRIGHT. There is no doubt about that. I think the Senator from Colorado has been entirely consistent in his view all along, ever since I have known him, with respect to the matter of international trade. But there is a difference, and the difference is that the objective of these reciprocal trade programs is to increase international trade. The objective is to increase both exports and imports; that is, to have a greater flow of trade. In enabling other countries to be competitive or to import we have actually been giving them the difference. Actually that is about what the ECA has done, except in its initial stages, when it was engaged to a great extent in affording relief.

But now it has become a program of giving away dollars, because other countries could not sell goods here for various reasons, one of which is our tariffs, and the practices which had grown up under the shelter of tariffs. If we do not want to have international trade I agree that we ought to keep the tariffs high and ought to place every barrier possible around us. There are two different schools of thought on the matter. We cannot sell abroad and buy nothing. I consider that for about 25 years it was the basic philosophy of this country that we would sell abroad and buy nothing. That represents a very simple difference between us. But if we want to sell abroad and if we want to have international trade we must buy something and, of course, it is going to hurt somebody to some extent. It is a question of balancing the over-all good of the whole country against some particular—usually smaller—segment of the economy.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. The argument has always been that we have got to increase our exports and that in consideration of increasing our exports we must open our markets to imports.

Mr. FULBRIGHT. That is correct.

Mr. MILLIKIN. Would the Senator from Arkansas be good enough to tell us what has happened on the international scene lately that helps our exports? We are subject to almost 300 bilateral agreements which check our exports. Now we are subject to a devaluation which increases the hurdles, which heightens the hurdles over which are exports must go. Great Britain is over here asking that she be permitted not to take our wheat with the dollars we are lending her to purchase wheat. Then can the Senator tell us what encouraging thing there is toward increasing our exports?

Mr. FULBRIGHT. I unfortunately cannot tell the Senator about any encouraging things in any field.

Mr. MILLIKIN. Give me one, please?

Mr. FULBRIGHT. There is nothing very encouraging whatever in the whole scene. But the effort of this country and its policy is to try to reestablish conditions under which we can trade. The whole objective of giving away approximately $5,000,000,000 a year to Europe is to try to get her on her feet. The Senator from Colorado logically should never have permitted us to agree to an ECA program which would rebuild Europe, because that inevitably is going to assist her to get into a position to compete with us. Our whole policy has been directed toward re-creating a stronger Europe, which in turn can manufacture goods, which in turn can sell in competition with ours. ECA and lower tariffs and reciprocal trade are all consistent as an over-all policy. To be consistent with the Senator's point of view we should not have any ECA at all.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. The announced purpose of ECA was to make a one market western Europe, to make interconvertible currencies, and to stop economic autocracy in Western Europe. Mr. Hoffman himself admits that those objectives have failed. If they have not failed, if the Senator has a different opinion, let him tell how the objectives have succeeded.

Mr. FULBRIGHT. I think the Senator from Colorado will recall that he and I had an exchange of views about that last spring when I offered an amendment to the ECA Act which would afford the use of funds to bring about freedom of trade and convertibility within the ECA area, so that those nations would be strong enough to stand on their own feet, and I hoped would be freed from the necessity of artificial respiration from us. But that amendment was rejected. I think that objective has failed. Within the last 2 weeks Mr. Hoffman came before the Senate Committee on Banking and Currency and said that at last the western European nations have seen the light and are trying to break down the restrictions on trade within the western European area, and that he proposes to devote $150,000,000 for that purpose. The amendment I offered last spring, which the Senator opposed, contained such a provision. I think the Senator recalls the amendment which he opposed.

Mr. MILLIKIN. As I recall, the Senator from Arkansas was trying to coerce a customs union, or something of that kind.

Mr. FULBRIGHT. No; I was trying to enable the western European nations to achieve a union which they already said they desired.

Mr. MILLIKIN. I did not like the political inference involved in the Senator's amendment.

Mr. FULBRIGHT. The Senator's position is consistent. I have never seen the Senator in this field or in any other field that I know of take a position which has been inconsistent with the one he is now taking. He does not believe in international trade. He does not believe we should import anything which can be made in the United States, and I think he believes we ought to live apart. If I thought it were possible for us to do so I would agree with the Senator entirely; I wish it were possible to pursue such a course; but I think the penalty for that view is the recurrence of wars, and the weakening of the western European countries. That is my reason for disagreeing with the Senator from Colorado.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MILLIKIN. The Senator has said several things. He has said that I would surround this world with a Chinese wall.

Mr. FULBRIGHT. I said "this country."

Mr. MILLIKIN. This country. On the contrary, I want imports on a fair competitive basis. The Senator would convey the impression that I am opposed to exports. I am quarreling with the Senator because we have not obtained exports as the quid pro quo for what we have given to secure them. Every day the hurdles are being raised higher against them.

Mr. FULBRIGHT. We have exports to the extent we have given away our money. But we cannot continue to give away to Europe dollars to be spent in this country.

Mr. MILLIKIN. I hope we do not form a permanent national policy of exports supported by give-away dollars.

Mr. FULBRIGHT. No. That is why I want to loosen up the channels of trade, and avoid putting quota restrictions on international trade.

Mr. MILLIKIN. But when the give-away policy is stopped there will still remain all the quotas, there will still be the import licenses, there will still be the bilateral agreements, there will still be the preference areas, and then what will we do with our export goods?

Mr. FULBRIGHT. The Senator may be right. Many of the efforts we have put forth have failed. As I said a moment ago, I cannot say that we have achieved all our objectives. But I still insist that our objective is to get rid of the import quotas other countries have placed on our goods, including in many countries our agricultural commodities, by reason of the fact that they are trying to conserve their dollars. I agree that the policy has not been a great success. If it had, we would not have all the troubles with which we are plagued. I think many of the surpluses with which we are now faced would not be bothering us if there was freer trade. I believe agriculture has a great stake in enabling other countries to purchase agricultural products. Part of that is dependent upon our permitting them to sell us goods in order to enable them to secure dollars. The Senator knows better than I that the people of western Europe want our products, but they do not have dollars to pay for them.

Mr. MILLIKIN. They do not want to pay for them.

Mr. FULBRIGHT. They do not want to pay for them——

Mr. MILLIKIN. They have the dollars to pay for them but they do not want to pay for them—period.

Mr. FULBRIGHT. Perhaps none of us would want to pay for anything if we could get it free. But if they had the dollars and wanted to eat, why they would usually pay for the food they needed.

Mr. MILLIKIN. We are all devoted to free enterprise, but the term has come to mean to be enterprising is to get everything one can for free from the Government.

Mr. FULBRIGHT. That particular difficulty is not restricted to foreigners. The Senator will find a little of that inside our own country.

Mr. MILLIKIN. Oh, yes; I agree.

Mr. FULBRIGHT. That is a sort of a characteristic common to many people.

Mr. MILLIKIN. I agree.

Mr. FULBRIGHT. I do not know that this Congress has a very good record in protecting itself from that particular inclination in the past few years.

Mr. MILLIKIN. It has a very bad record.

Mr. FULBRIGHT. Mr. President, I have been diverted from the main objective. I can only say that I hope the Senate will not accept this amendment to this bill at this time. I do not think it is a proper bill in which to try to rewrite our foreign-trade policy. Certainly, in a very sense, this proposal is very similar to the peril-point idea in a restricted field. We fought that battle out. The only thing I am afraid of is that Members of this body will not realize its importance. They did in connection with the reciprocal trade program, because the subject was thoroughly debated and every Member of the Senate was aware of the implications of that proposal. A clean-cut decision was made by the Senate. I do not believe it is proper to offer such an amendment in connection with this bill, in which no one was expecting a reconsideration of our basic foreign economic policy. It seems to me that it would be a great mistake to adopt the amendment and make it a part of this bill. If this sort of thing is to be done, the question certainly ought to be submitted to the committee of the distinguished Senator from Colorado, and the proposal should be brought in as a part of a bill in which its full significance is recognized. I think it has implications which might be extremely serious to the entire program of trying to promote a greater flow of international trade. If we are going to do it, it ought not to be done in an offhand way in connection with a bill the substance of which goes in an entirely different direction than international trade.

That is my basic objection to the amendment. It might well be that after due consideration and certain qualifications of this sort of thing might be incorporated into our policy. I feel a little hesitancy in saying positively that there is no merit in this amendment, but I do say positively that it ought not to be accepted in this very precipitate manner, on this kind of bill. I think that part of my position is entirely sound. I would welcome comments from members of the Finance Committee who considered this proposal.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. MILLIKIN. Mr. President, I am in favor of the amendment, for several reasons which move others to oppose it.

This amendment is one more illustration of the break-down in the handling of our reciprocal trade system. Within the past 2 weeks three or four groups of American producers have had to come to Congress to try to obtain relief from situations which should have been handled under the intelligent administration of our trade agreement system. One group was the fur farmers. The proposal with respect to that group was defeated. But we hope to get some relief for them from a later amendment, which was agreed to. Oil narrowly missed being given a quota; and I have no doubt that the oil question will be before us again. Now we have this amendment, which covers a wide agricultural field, but which probably was motivated by acute distress among those who grow tree crops.

If relief cannot be obtained through the intelligent handling of our reciprocal trade agreement system, we have no alternative but to consider these questions on the floor of the Senate, the avoidance of which motivated the reciprocal trade systems.

The repeated requests by distressed industries for special and separate relief illustrates, as I said before, how badly this system has bogged down. But that does not, I respectfully suggest, warrant us in confirming ourselves to the lament "It is too bad." If the reciprocal trade system is not handled efficiently, we have no alternative but to consider these problems as they arise. I shall give the pending amendment my support.

I wish to say—and I think I am in disagreement with the distinguished Senator from Washington [Mr. MAGNUSON] when I say—that in my opinion the amendment is in conflict with GATT. It is in conflict in the Annecy agreement. It is possibly in conflict with other trade agreements.

I believe that it would compel the renegotiation of all those agreements. If we must renegotiate those agreements to avoid the mismanagement of reciprocal trade matters, we have no alternative.

Let me repeat my point that this amendment does violate our present reciprocal trade agreement system.

When we had the provisions of GATT, the so-called Geneva agreement, before the Senate Finance Committee last February and March we took the provisions

of that agreement one by one and heard testimony on them. In article XI, which has been read, but which I do not believe has been read far enough, there is the following requirement when we wish to impose a quota to protect a domestic agricultural program which limits its production in connection with a price-support program:

Any contracting party applying restrictions on the importation of any product pursuant to subparagraph (c) of this paragraph shall give public notice of the total quantity or value of the product permitted to be imported during a specified future period and of any change in such quantity or value. Moreover, any restrictions applied under (1) above shall not be such as will reduce the total of imports relative to the total of domestic production as compared with the production which might reasonably be expected to rule between the two in the absence of restrictions. In determining this proportion, the contracting party shall pay due regard to the proportion prevailing during a previous representative period and to any special factors which may have affected or may be affecting the trade in the product concerned.

This does not give us the complete right to stop all imports in order to support our price-support program. We have to reduce our domestic production proportionately with the reduction of imports and is in conflict with the amendment before us. That was all made clear in the examination of Mr. Brown, who was a witness for the State Department. We were discussing article XI of GATT. Let me read a few excerpts from his testimony. I am reading from page 1218 of the hearings to which I have referred:

Senator MILLIKIN. Will you be good enough to give us a rather full explanation of this article?

Mr. BROWN. This is a very important article, Senator MILLIKIN. It sets forth one of the basic principles of the agreement, which is a principle which has been contained in all of our trade agreements that quotas should not be used on the importation of products covered by the agreement.

That is the main principle.

This is broader because it applies to all products. The same is true of export quotas. That is a fundamental principle of the agreement which is modified by a series of exceptions which appear in later articles.

On page 1219, the junior Senator from Colorado asked the following question:

Senator MILLIKIN. Now, bring that prohibition—

That is, the prohibition against quotas, the prohibition against exports—

bring that prohibition against the exceptions so that we can determine the scope of the exceptions, and what is left after you get through with the exceptions. And give us some examples as you go along.

After discussing certain exceptions in article XI, which are not relevant here, Mr. Brown said, on page 1220:

Then, in (c) we have had had cases and other countries have had cases where it has been necessary for the Government to take action to reduce surpluses, and to prevent disastrously low farm prices by acreage control; and it would obviously be unfair in such a case to permit imports to come in and to contribute to the very same surplus situation which the Government was stepping in to correct. In that case a quota could be used.

Senator MILLIKIN. We have authority to go into many acreage limitations. We can go into acreage limitation on a number of products. If we imposed acreage limitations, does that automatically permit us to fix quotas on the same product?

Mr. BROWN. Yes, sir.

Senator MILLIKIN. Anywhere along the line? There is no exception to that?

Mr. BROWN. We couldn't fix the import quota at an arbitrarily minute amount.

In other words, they cannot entirely exclude imports.

Then he said:

I mean, there must be a reasonably proportional amount.

Mind you, Mr. President, our farmers are being subjected to a reduction of acreage because we have a surplus, but we cannot exclude the importation of everything that is necessary to be excluded in order to keep from adding to the surplus. We cannot do that; but we have to reduce the imports proportionally to our own reduction and thus we subsidize those imports so that they may add their weight to overburdened price-depressing markets.

Then the following occurred:

Senator MILLIKIN. Where does it say that?

Mr. BROWN. Where it says [reading]:

"Moreover, any restrictions applied under (1) above shall not be such as will reduce the total of imports relative to the total of domestic production, as compared with the proportion which might reasonably be expected to rule between the two in the absence of restrictions."

And the test given there, the one objective test, is the previous representative period.

Senator MILLIKIN. That is another way of saying that if we were actually applying acreage restrictions, we could not exclude completely the similar product from a foreign country.

Mr. BROWN. That is correct, sir.

Senator MILLIKIN. But our exclusion would be measured by what would be considered as a fair proportion under normal conditions.

Mr. BROWN. That is correct, sir.

Mr. MAGNUSON. Mr. President, will the Senator yield at this point?

Mr. MILLIKIN. I yield.

Mr. MAGNUSON. Of course, that is section 22; and the limited authority to do that falls within what was the interpretation of the basic agreement. Is not that correct?

Mr. MILLIKIN. I think the Senator's amendment goes further than that, because under it a complete quota could be imposed; and Mr. Brown made it clear that that could not be done under this provision of GATT.

Now I read from page 1221:

Senator MILLIKIN. Let us take the case of the limitation on the production of agricultural products in this country. If we came into sharp limitation of acreage in any field, or any other type of limitation, limitation on the end product, for example, any sharp limitation of that kind, you can see at once what the political repercussions would be here at home.

We are getting those repercussions in the Senate in connection with the parade of specific products that now are coming before us for protection.

I read further:

You would have a hard time selling the farmer of this country on the proposition that while he is undergoing those limitations, at the same time foreign stuff should come in here and take its part of a market which, under those circumstances, he might well feel belonged to him.

Now I suggest that that is a very important policy that you have here. I suggest that only Congress can establish a policy of that kind. I suggest that the Congress might not agree with that kind of a policy. I suggest that there is no authority in your enabling statute to impose that kind of a limitation.

I add at this point that that is one of the reasons why I am supporting the Senator's amendment, because he is trying to do congressionally what the Congress has a right to do and which GATT does not have the right to forbid.

Then I said:

What is your theory?

Mr. BROWN. My theory is that there is, Senator.

Senator MILLIKIN. Well, that is a simple disposition of the matter, Mr. Brown.

I am not so sure that the Congress would feel itself bound to follow your lawmaking, here.

And now we have caught up with that prediction.

I read further:

Mr. BROWN. Of course not, sir. I would never suggest that Congress was bound by anything which I stated.

Senator MILLIKIN. Do you intend to bring back any part of this article to the Congress?

Mr. BROWN. We intend to ask the Congress to repeal the prohibition—

On what, Mr. President? The prohibition on this proportional quota business? No. The answer is—

on the export of tobacco seed, which would be clearly prohibited by paragraph 1 of this agreement. And I think, although I am not yet completely sure on this point, that we shall ask the Congress sharply to modify if not repeal the manufacturing clause in the copyright law, based partly on this article and partly on article III. Because that operates as an absolute prohibition upon the importation into this country of any book in the English language.

Senator MILLIKIN. Anything else?

Mr. BROWN. No, sir.

Senator MILLIKIN. You do not intend to ask the approval of Congress of that part of the article which proposes a restriction on its congressional power to establish a quota if it feels that it should be established, in connection with its domestic production regulations?

Mr. BROWN. No, sir; there have been quota provisions in our agreements from the very beginning.

I read now from page 1224:

Senator MILLIKIN. What I had in mind was that there is quite a little agitation for a rigid support price policy.

The CHAIRMAN. Yes.

We just finished that about half an hour ago.

I read further:

Senator MILLIKIN. And if we have a rigid support price policy, then, as a matter of sound procedure, I suggest we have to have legislative authority for rather rigid controls on production.

And after we have had these years of encouragement of production, to bring our farmers down to rigid controls on production, and a substantial lessening of production, would be something that I think as a practical matter would cause a lot of pressure around here not to lessen the market by importations of any kind.

Mr. BROWN. May I make one further observation on this, Senator?

Senator MILLIKIN. Yes.

Mr. President, we are discussing now the reciprocal nature of these restrictions and exceptions. I call this matter particularly to the attention of the senior Senator from Arkansas:

Mr. BROWN. We have been discussing thus far the point of view purely of looking inward into the United States. The quota, of course, is the device which is most used against the exports of the United States, and very heavily against the agricultural exports of the United States as well as the industrial exports. And it has been and still is one of the primary objectives of our efforts to limit the use of that very effective weapon against our exports.

Therefore, I think this article must be looked at very carefully from that point of view as well. We must recognize that in this article we have protection against the complete embargo by another country of our products which we would like to send in to it. And in view of the very great importance of our exports to that segment of the community, and to the Nation as a whole, that is a tremendously important aspect of this. I mention that only to balance the consideration.

Senator MILLIKIN. This is entirely in the field of opinion, but I think you will find that as food production increases in the rest of the world, the nationalistic tendencies, which are growing rather than contracting, will result in quotas and all other restrictions necessary to keep our farm products out of competition with domestic production in those foreign countries.

Mr. President, in closing, I wish to say again that I am in favor of the Magnuson amendment. I believe it is based on the proper authority of Congress. I believe it is a suitable amendment to correct and protest what in my opinion has been invalidity done at Geneva and Annecy to restrict our right to safeguard our production-control and price-support programs.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. WILLIAMS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Martin
Anderson	Hickenlooper	Maybank
Baldwin	Hill	Miller
Bridges	Hoey	Millikin
Butler	Holland	Morse
Byrd	Humphrey	Mundt
Cain	Ives	Murray
Capehart	Johnson, Colo.	Myers
Chapman	Johnson, Tex.	Neely
Connally	Johnston, S. C.	O'Mahoney
Cordon	Kefauver	Pepper
Donnell	Kem	Robertson
Douglas	Kerr	Russell
Downey	Kilgore	Saltonstall
Eastland	Langer	Schoeppel
Ecton	Long	Smith, Maine
Ferguson	Lucas	Stennis
Flanders	McCarthy	Taylor
Fulbright	McClellan	Thomas, Okla.
George	McFarland	Thye
Gillette	McKellar	Wiley
Graham	McMahon	Williams
Green	Magnuson	Withers
Hayden	Malone	Young

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. WILLIAMS and other Senators asked for the yeas and nays, and they were ordered.

Mr. LUCAS. Mr. President, I should like to say a word or two in opposition to the amendment. The amendment, in my judgment, has absolutely no place in the agricultural bill. It is an amendment which really should be considered by the Committee on Foreign Relations. I shall read the amendment, and I ask Senators to listen attentively to its reading:

(f) No treaty, trade agreement, or other international obligation shall be hereafter entered into by the United States which does not reserve to the United States the unconditional right to unilaterally impose the fees and quantitative limitations on imports provided for in this section; and no such treaty, trade agreement, or other international obligation now in force shall be renewed, extended, or allowed to extend beyond its permissible termination date, without the inclusion of such reservation.

Either the Committee on Foreign Relations or the Committee on Finance, which reported the reciprocal trade agreement bill, should consider this kind of an amendment.

I am a little bit surprised that my good friend from Washington would offer an amendment of this kind, in view of the position which he took when the Senate had under consideration the reciprocal trade agreements bill. This is an important amendment. The Chairman of the Tariff Commission goes further in his interpretation of this amendment than I do. He takes the position that every trade agreement we have at the present time would have to be renegotiated if this amendment should become a part of the law. Under any circumstances the most rigid construction or the most liberal construction of the amendment indicates definitely that when one of the trade agreements expires, it is the duty of the United States to renegotiate that trade agreement with respect to the language in this bill. The amendment would have a tendency practically to kill the trade-agreement program. I can understand how my good friend from Colorado [Mr. MILLIKIN], one of the most able Senators on the floor, can rise and speak for this amendment. When my friend from Colorado speaks in behalf of an amendment dealing with this kind of a question, it is in line with his basic philosophy with reference to the question of trade agreements, and I know it is time to be concerned so far as my thinking upon this question goes.

I sincerely hope the Senate of the United States will not at this time fall by the wayside and support the amendment offered by my distinguished friend from Washington. I hope my friend, when he realizes what he is doing with respect to the trade-agreement program, will withdraw his amendment. I am somewhat curious to know where he found it. He has not explained that in the debate. It is of such transcendent importance that I really cannot quite understand——

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. ROBERTSON. I wish to ask the distinguished Senator from Illinois a question. With our farmers producing 40 percent more cotton, 40 percent more tobacco, and more wheat and more of every commodity than we can consume at home, is there any single group more vitally interested in the success of the reciprocal trade agreement program than are our farmers; and if we, in the name of American farmers, wreck that program, what greater injury could we inflict upon them?

Mr. LUCAS. The Senator is eminently correct.

I want to make this statement in respect to the reciprocal trade agreement bill which we passed in the Senate not long ago. The president of one of the largest farm organizations of the United States came to my office, along with his assistant, a few days after we had passed the bill, and offered sincere congratulations to the Senate of the United States for what we had done with respect to maintaining the Hull-Roosevelt theory of reciprocal trade agreements. This amendment is right in the teeth of what we did a few days ago.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Washington.

Mr. MAGNUSON. The Senator from Illinois would like to know where I found this amendment. I shall be glad to tell the Senate where I found it. The policy is in the Agricultural Adjustment Act for which the Senator from Illinois voted. The Congress said, insofar as agriculture is concerned, that when we use the money of the American taxpayers for price supports, placing limitations on our farmers, the products affected are in a different category, and when we negotiate trade agreements we should consider them as such. That is in section 22 of the Agricultural Adjustment Act for which the Senator from Illinois voted and for which I voted. It has nothing to do with trade agreements now in existence.

That is where I found the amendment. When the Senators says he does not know why it is offered to this bill, I ask the Senator to read section 22 of the bill, and he will find the same thing in reverse; I am offering the amendment only in order to change the language around. That is why it was offered as an amendment to the bill. If it is not proper in this bill, then section 22 should not be in the bill for which we all voted. It is a subject which has been discussed many times. The only purpose of the amendment is to carry out a policy. If we do not want that policy, if we do not want the State Department to consider it in negotiating agreements, we should repeal section 22 of the Agricultural Adjustment Act.

I say to the Senator from Illinois that I do not know whether Mr. Brown is correct in his statement that we will have to renegotiate all our treaties if my amendment should be agreed to. If an extension should become necessary, I suppose we should renegotiate some of our treaties. I do not know that there is anything particularly wrong in that. Possibly some of them should be renegotiated. If we do not carry out the policy of section 22 we may possibly wreck our price-support program.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LUCAS. The only point I want to raise in respect to what the Senator has said is in connection with section 22. I am using the language he used yesterday:

> No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

Mr. MAGNUSON. I want to change it around.

Mr. LUCAS. Certainly. The Senator wants to do just the opposite.

Mr. MAGNUSON. That is correct. In one part of the bill it is said that we should not do it. I say we should do it.

The VICE PRESIDENT. The question is on the amendment of the Senator from Washington [Mr. MAGNUSON] on which the yeas and nays have been ordered. The Secretary will call the roll.

The legislative clerk proceeded to call the roll, and several Senators voted when their names were called.

Mr. MALONE. Mr. President, because of unavoidable delay, by the weather at St. Paul, I missed the vote on the Young-Russell amendment.

The VICE PRESIDENT. The Senator can make no statement on another matter while the roll call is in progress. The Secretary will resume the call of the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. HUNT] and the Senator from Maryland [Mr. O'CONOR] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Utah [Mr. THOMAS] is necessarily absent.

The Senator from Alabama [Mr. SPARKMAN] is paired on this vote with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Alabama would vote "nay," and the Senator from New Hampshire would vote "yea."

The Senator from Utah [Mr. THOMAS] is paired on this vote with the Senator from Ohio [Mr. TAFT]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Ohio would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from New York [Mr. DULLES], the Senator from Massachusetts [Mr. LODGE], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is absent by leave of the Senate because of illness in his family.

The Senator from California [Mr. KNOWLAND] and the Senator from Ohio [Mr. BRICKER] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate. If present and voting, the Senator from New Jersey would vote "yea."

The Senator from Ohio [Mr. TAFT], who is necessarily absent, is paired with the Senator from Utah [Mr. THOMAS]. If present and voting, the Senator from Ohio would vote "yea," and the Senator from Utah would vote "nay."

The Senator from New Hampshire [Mr. TOBEY], who is necessarily absent, is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Alabama would vote "nay."

The Senator from South Dakota [Mr. GURNEY] and the Senator from Utah [Mr. WATKINS] are detained on official business.

The result was announced—yeas 35, nays 37, as follows:

YEAS—35

Aiken	Flanders	Millikin
Baldwin	Gillette	Morse
Bridges	Hendrickson	Mundt
Butler	Hickenlooper	Murray
Byrd	Ives	Saltonstall
Cain	Johnson, Colo.	Schoeppel
Capehart	Kem	Taylor
Cordon	Langer	Thye
Donnell	McCarthy	Wiley
Downey	Magnuson	Williams
Ecton	Malone	Young
Ferguson	Martin	

NAYS—37

Anderson	Humphrey	Miller
Chapman	Johnson, Tex.	Myers
Connally	Johnston, S. C.	Neely
Douglas	Kefauver	O'Mahoney
Eastland	Kerr	Pepper
Fulbright	Kilgore	Robertson
George	Long	Russell
Graham	Lucas	Smith, Maine
Green	McClellan	Stennis
Hayden	McFarland	Thomas, Okla.
Hill	McKellar	Withers
Hoey	McMahon	
Holland	Maybank	

NOT VOTING—24

Brewster	Jenner	Sparkman
Bricker	Knowland	Taft
Chavez	Leahy	Thomas, Utah
Dulles	Lodge	Tobey
Ellender	McCarran	Tydings
Frear	O'Conor	Vandenberg
Gurney	Reed	Watkins
Hunt	Smith, N. J.	Wherry

So Mr. MAGNUSON'S amendment was rejected.

Mr. WITHERS. Mr. President, I desire to make a motion to reconsider the vote by which the so-called Young-Russell amendment was rejected.

The VICE PRESIDENT. The Senator from Kentucky moves to reconsider the vote by which the so-called Young-Russell amendment was rejected.

Mr. LUCAS. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Am I to understand the Senator from Kentucky voted for the amendment?

Mr. WITHERS. Yes.

Mr. LUCAS. I make a point of order that the Senator cannot make the motion to reconsider.

The VICE PRESIDENT. The Senator from Kentucky voted on the prevailing side, and therefore is in a position to make a motion to reconsider.

Mr. MALONE. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. MALONE. May I have recognition?

The VICE PRESIDENT. If the Senator desires recognition. The question is on agreeing to the motion of the Senator from Kentucky that the vote on the so-called Young-Russell amendment be reconsidered.

Mr. WILLIAMS. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. That motion is not debatable.

Mr. MALONE. Mr. President——

The VICE PRESIDENT. The Chair cannot recognize the Senator at this time, because the motion is not debatable.

Mr. WILLIAMS. I withhold the motion.

Mr. LUCAS. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. When I asked him the question, I was under the impression that the junior Senator from Kentucky had advised me he had voted for the Young-Russell amendment.

Mr. WITHERS. I voted against the Young-Russell amendment.

Mr. LUCAS. I misunderstood the Senator. I apologize to him.

The VICE PRESIDENT. The Senator from Kentucky voted against the amendment. He voted on the prevailing side. The amendment was lost by one vote.

Mr. MALONE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MALONE. Is the question before the Senate the motion to reconsider the vote by which the Young-Russell amendment was agreed to?

The VICE PRESIDENT. That is the pending question.

Mr. MALONE. Can a motion be made legitimately——

The VICE PRESIDENT. There is a motion now pending.

Mr. MALONE. I wish to join in the motion to reconsider.

The VICE PRESIDENT. It is not necessary to join in it. Only one Senator can make a motion to reconsider.

Mr. MALONE. I understood the Senator who made the motion was ruled to be out of order because he voted with the prevailing side.

The VICE PRESIDENT. Only a Senator who votes on the prevailing side can move to reconsider, or a Senator who was not present.

Mr. MALONE. I was not present, and I join in the motion.

The VICE PRESIDENT. The question is on the motion to reconsider the vote by which the Young-Russell amendment was rejected.

Mr. WILLIAMS. I move to lay the motion on the table.

The VICE PRESIDENT. The Senator from Delaware moves to lay the motion on the table, and that motion is not debatable.

Mr. WILLIAMS and other Senators asked for the yeas and nays, and they were ordered.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted "yea" when his named was called.

Mr. DOUGLAS. Mr. President——

The VICE PRESIDENT. The Chair will state the question for the information of Senators. The question is on the motion of the Senator from Delaware [Mr. WILLIAMS] to lay on the table the motion made by the Senator from Kentucky [Mr. WITHERS] to reconsider the vote by which the Young-Russell amendment was rejected.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Georgia will state his parliamentary inquiry.

Mr. RUSSELL. My parliamentary inquiry is: If the motion of the Senator from Delaware should prevail, the Senate would have no opportunity then to vote upon the motion to reconsider, would it?

The VICE PRESIDENT. If the motion of the Senator from Delaware to lay the motion to reconsider on the table should prevail, that would end the motion to reconsider.

The Secretary will continue with the call of the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. HUNT], and the Senator from Maryland [Mr. O'CONOR] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Utah [Mr. THOMAS] is necessarily absent.

The Senator from Alabama [Mr. SPARKMAN] is paired on this vote with the Senator from New York [Mr. DULLES]. If present and voting, the Senator from Alabama would vote "nay," and the Senator from New York would vote "yea."

The Senator from Utah [Mr. THOMAS] is paired on this vote with the Senator from Wyoming [Mr. HUNT]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Wyoming would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Massachusetts [Mr. LODGE], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent. If present and voting, the Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] would each vote "yea."

The Senator from Indiana [Mr. JENNER] is absent by leave of the Senate because of illness in his family.

The Senator from Ohio [Mr. BRICKER] and the Senator from California [Mr. KNOWLAND] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate. If present and voting, the Senator from New Jersey would vote "yea."

The Senator from New York [Mr. DULLES], who is absent by leave of the Senate, is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from New York would vote "yea," and the Senator from Alabama would vote "nay."

The yeas and nays resulted—yeas 37, nays 37, as follows:

YEAS—37

Aiken	Flanders	Magnuson
Anderson	Gillette	Martin
Baldwin	Graham	Millikin
Bridges	Green	Morse
Byrd	Hendrickson	Myers
Cain	Hickenlooper	Robertson
Capehart	Hoey	Saltonstall
Chapman	Holland	Schoeppel
Donnell	Ives	Smith, Maine
Douglas	Kem	Thye
Downey	Kilgore	Williams
Eastland	Lucas	
Ferguson	McMahon	

NAYS—37

Butler	Kefauver	Neely
Connally	Kerr	O'Mahoney
Cordon	Langer	Pepper
Ecton	Long	Russell
Fulbright	McCarthy	Stennis
George	McClellan	Taylor
Gurney	McFarland	Thomas, Okla.
Hayden	McKellar	Watkins
Hill	Malone	Wiley
Humphrey	Maybank	Withers
Johnson, Colo.	Miller	Young
Johnson, Tex.	Mundt	
Johnston, S. C.	Murray	

NOT VOTING—22

Brewster	Knowland	Taft
Bricker	Leahy	Thomas, Utah
Chavez	Lodge	Tobey
Dulles	McCarran	Tydings
Ellender	O'Conor	Vandenberg
Frear	Reed	Wherry
Hunt	Smith, N. J.	
Jenner	Sparkman	

The VICE PRESIDENT. On this question the yeas are 37, the nays are 37, which defeats the motion. But the Chair will vote, as he has a right to. The Chair votes "nay."

The question now is on agreeing to the motion to reconsider the vote by which the Russell-Young amendment was rejected.

The motion was agreed to.

The VICE PRESIDENT. The question recurs on agreeing to the amendment offered by the Senator from North Dakota [Mr. YOUNG] for himself and the Senator from Georgia [Mr. RUSSELL].

Mr. LUCAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. WILEY (when his name was called). I have a pair with the distinguished junior Senator from New York [Mr. DULLES]. If he were present he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Maryland [Mr. O'CONOR] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Utah [Mr. THOMAS] is necessarily absent.

The Senator from Alabama [Mr. SPARKMAN] is paired on this vote with the Senator from Utah [Mr. THOMAS]. If present and voting, the Senator from Alabama would vote "yea," and the Senator from Utah would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Massachusetts [Mr. LODGE], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent. If present and voting, the Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] would each vote "nay."

The Senator from Indiana [Mr. JENNER] is absent by leave of the Senate because of illness in his family.

The Senator from California [Mr. KNOWLAND] and the Senator from Ohio [Mr. BRICKER] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from New York [Mr. DULLES] is absent by leave of the Senate, and his pair has been previously announced by the Senator from Wisconsin [Mr. WILEY].

The yeas and nays resulted—yeas 37, nays 37, as follows:

YEAS—37

Butler	Johnson, Tex.	Murray
Connally	Johnston, S. C.	Neely
Cordon	Kefauver	O'Mahoney
Downey	Kerr	Pepper
Ecton	Langer	Russell
Fulbright	Long	Stennis
George	McCarthy	Taylor
Gurney	McClellan	Thomas, Okla.
Hayden	McFarland	Watkins
Hill	McKellar	Withers
Humphrey	Malone	Young
Hunt	Maybank	
Johnson, Colo.	Mundt	

NAYS—37

Aiken	Gillette	Martin
Anderson	Graham	Miller
Baldwin	Green	Millikin
Bridges	Hendrickson	Morse
Byrd	Hickenlooper	Myers
Cain	Hoey	Robertson
Capehart	Holland	Saltonstall
Chapman	Ives	Schoeppel
Donnell	Kem	Smith, Maine
Douglas	Kilgore	Thye
Eastland	Lucas	Williams
Ferguson	McMahon	
Flanders	Magnuson	

NOT VOTING—22

Brewster	Leahy	Thomas, Utah
Bricker	Lodge	Tobey
Chavez	McCarran	Tydings
Dulles	O'Conor	Vandenberg
Ellender	Reed	Wherry
Frear	Smith, N. J.	Wiley
Jenner	Sparkman	
Knowland	Taft	

The VICE PRESIDENT. On this question the yeas are 37 and the nays are 37. Before voting, the Chair would like to ask the Senate for the privilege of doing what a Senator may not do, and that is to explain his vote.

The position of the Chair heretofore has been in favor of support at 90 percent. In every speech he made last year he declared the same position. He cannot now repudiate it and, therefore, votes "yea." [Applause.]

So the amendment offered by Mr. YOUNG for himself and Mr. RUSSELL was agreed to.

Mr. AIKEN. Mr. President, the Senate has now "out-Brannaned" the Brannan plan. The cost of the 90-percent program will be more than the Brannan plan would cost. The controls over the farmers of the United States will be just as much as they would have been under the Brannan plan. The Senate has now voted to discriminate against every cattle raiser, every sheep raiser, every dairyman in the United States. The Senate has voted against the fruit growers, the vegetable growers, and all other agricultural commodity producers except the wheat and cotton producers, who have ganged up successfully on the rest of agriculture in the United States.

With this result, which we now have, and which we in the Senate cannot now reconsider again, it seems to me that the only course left is to vote against this bill; or, if the bill passes, to hope that the President of the United States will do what any good President would be bound to do.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question at this point?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. The Senator from Vermont has stated that the bill, as just now amended, would cost more than the Brannan plan would cost.

Mr. AIKEN. That is correct.

Mr. SALTONSTALL. Does the Senator from Vermont have any estimate as to what the bill with this amendment in it will cost the Government of the United States?

Mr. AIKEN. The 90-percent-support program for last year increased the obligations of the United States something over $2,000,000,000 above what they otherwise would have been. This year's crops probably will mean considerably more than that. I daresay that this year's crops will completely exhaust the $4,750,000,000 borrowing power of the Commodity Credit Corporation. Next year, with 90-percent support, it will be necessary to have controls and penalties over the producers of all the basic commodities, if we are not to increase the cost away beyond anything we have ever seen so far.

Let me read again the statement of the Secretary of Agriculture as to what the effect of continuing rigid 90-percent supports another year will be. In answer to the question—

Is not the Congress likely to continue the 90 percent of parity without doing anything else?

Secretary Brannan said:

If they do, all I can say is that the year after this we will have an awfully drastic program of some kind. We will have powers vested in the Secretary of Agriculture, whoever he may be, that go way beyond anything used so far. Another year of big production, with the present program continued, would show so much money involved in farm programs that I do not think any taxpayer could stand it.

Mr. President, it is my own opinion—purely my own opinion, but I think I have some experience upon which to base it—that we should make available another $5,000,000,000 to the Commodity Credit Corporation if we expect the rigid 90-percent support program to be carried on another year.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a further question?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. Will the program, including the amendment which has just been adopted, increase the cost of living—particularly the cost of food to consumers—and keep it up on a higher level than might otherwise be the case?

Mr. AIKEN. My answer is "Yes," because unless we are to incur expenditures for supports far beyond anything dreamed of so far, it will be necessary to restrict production. Of course, restricted production does not help the consumers.

Mr. President, I realize that there are those who will take exception to the remarks I have just made; but I should like to have every farmer in the United States take the record of this day's action by the Senate and fasten it up somewhere in his barn, along with the record of the vote, and then look back at it, 2 or 3 years hence, because I am satisfied that today the Senate has taken action which will start the downfall of farm commodity price-support programs in the United States.

Mr. YOUNG. Mr. President, I am sorry to disagree with my good friend, the Senator from Vermont. The Brannan plan would give rigid support levels for wheat at $1.86 a bushel. The Anderson bill, at the end of the transitional period, which would be reached in about 2 years, would give wheat support at $1.71 a bushel, and that would be only when acreage control or quotas were imposed. That is a reduction of 23 cents a bushel over the present support price. Only a little over a year and a half ago wheat was selling at about $3.50 a bushel.

I notice that in the East, about which the Senator from Massachusetts [Mr. SALTONSTALL] has spoken, the price of bread has not dropped 1 cent a loaf. After a 50-percent drop in the price of wheat, I think the price of bread in Boston could drop at least half a cent a pound. The consumers in the New England States will get wheat much cheaper than they have gotten it in the past.

Oats are only 60 cents a bushel, whereas they were $1.25 a bushel 2 years ago.

The amendment will apply only to basic commodities when they are under acreage controls or quotas.

Mr. THYE. Mr. President, I move to amend the bill—the Anderson bill—so as to make price supports mandatory on pork, poultry, eggs, and turkeys, at from 90 to 75 percent of parity.

The VICE PRESIDENT. Will the Senator submit the amendment in writing, so that it can be stated by the clerk?

Mr. THYE. The amendment has not been prepared in writing; I have just stated it.

The VICE PRESIDENT. Where does the Senator from Minnesota intend to have the amendment inserted in the bill? Does he wish it to be inserted wherever such language would be appropriate?

Mr. THYE. I wish to have it inserted in the most appropriate place in the bill where such language can be inserted.

The VICE PRESIDENT. The Chair understands that the amendment provides that the words "pork, poultry, eggs, and turkeys" are to be inserted as an amendment.

Mr. THYE. The amendment would insert provision for mandatory support of pork, poultry, eggs, and turkeys at from 90 to 75 percent.

The VICE PRESIDENT. They are to be included in the mandatory support provisions; is that correct?

Mr. THYE. That is correct.

The VICE PRESIDENT. At from 90 percent down to 75 percent of parity. Is that correct?

Mr. THYE. That is correct.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. THYE].

Mr. THYE. Mr. President, the amendment has been laid before the Senate.

I now yield the floor.

Mr. LUCAS. Mr. President, this is exactly what I thought would happen in event the other amendment was adopted. It is impossible to defend the previous action, unless one goes along with what the Senator from Minnesota is now saying.

Mr. THYE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. LUCAS. I yield.

Mr. THYE. The majority leader is entirely correct. That was the reason for my offering the amendment. The Senator is right. If there is any justification for doing what we have done this afternoon, certainly we must protect that which produces the major portion of our agricultural income, and that can well include pork, poultry, eggs, and turkeys. That was the reason I offered the amendment.

Mr. LUCAS. There is no reason why any other Senator who has some peculiar commodity which he thinks needs supports should not offer an amendment and have it included in the bill. We would be getting right back to where we were, to the wartime supports, and would be supporting everything at 90 percent. That seems to be the trend in the Congress. If it is desired to do that, then, regardless of what the commodities are,

let us support all of them, the 126 agricultural commodities, regardless of how much is produced, turn everything loose, and give them a 90-percent support price. Then, Mr. President, see what happens to the farm program in about 2 years from now.

The thing that surprises me is, the economy-minded Senators upon my side of the aisle, and some Senators on the other side of the aisle, who are constantly talking about economy in Government, and have been doing so all through the session, who have no hesitancy in getting off the economy bandwagon—no hesitancy whatever. When they are concerned with price supports on products grown in their own communities they bring up all this tommy rot about economy, and they try to force the majority leader to do a great many things with respect to resolutions of one kind and another; yet, when the time comes to support the basic commodities under a guaranty of 90 percent, Senators do not hesitate to take care of their people, the people in their own communities, with that kind of a proposition, regardless of what the cost may be in the future.

Mr. President, I live in the heart of the corn-growing section of the country, where we produce a good deal of corn and soybeans, where we raise hogs and cattle, and so forth. The farmers in my section of the country are not a selfish group. They want to save the basic agricultural program that was initiated by a Democratic administration in 1935. They are willing to make sacrifices in order to save the fundamentals and the basic principles of that program. There are certain individuals who want to keep raising support prices higher and higher, until the program is finally broken down. Such people are never satisfied with a decent, honorable support price. They want more and more. In the pending bill there is provided an increase of 6 percent as a result of adding labor to the cost of parity, and now the proposal is offered to support at a high level practically everything—to kill the farm bill. That is what some people want to do—to kill farm supports. Public opinion will not stand up under the constant pressure of taking money from the Treasury of the United States as we have been doing on the chicken program and the egg program and the potato program. The same thing will be done in respect to many other things, before we get through, if this kind of bill becomes the law of the land.

I believe I know something about my section of the country. I cannot speak for any other section, but I know exactly what the farmers in my section desire and what they believe in with respect to a farm program. No one ever dreamed, when during war times we adopted the Steagall amendments supporting everything at 90 percent because of war, that we would ever continue it, on and on and on; and that is exactly what we are doing. Senators eventually cannot get away with it. It may be possible for a while, but it cannot continue. As far as my section of the country is concerned, the 90 percent of parity had little or nothing to do with the election of Mr. Truman in Illinois. The thing that elected him or did more to assist him than anything else in that section of the country was the fact that there were no storage facilities to take care of the corn that had been produced. I believe I know something of the political situation in down-State Illinois, in respect to whether 90 percent of parity was the prevailing theme in the campaign. Definitely, it was not the theme in Illinois.

I offer a suggestion to the distinguished Senator from New Mexico, who, I think, knows more about agricultural questions and problems than any other man in America today, barring none. I suggest to him that he take every amendment to conference, regardless of what the amendment is; that he take the bill to conference, to see what can be done there.

Mr. ANDERSON. Mr. President, I subscribe in principle to what my distinguished colleague has said about the amendment offered by the Senator from Minnesota. Certainly the Senator from Minnesota, by his work on the committee, has demonstrated that his first interest is in presenting to the country a decent and sensible farm bill. I commend the distinguished senior Senator from Minnesota for his work in that regard.

I cannot subscribe to the amendment that has just been offered. Bad as the bill is going to be, I hope to salvage something out of it by the possibilities of going to conference. But I am delighted that the distinguished majority leader talked for a moment about economy. These measures look different when we are voting glibly, round by round. But let me remind the Senate that the vote today on corn alone, represents $600,000,000 every year the bill continues in effect. People have been talking about cutting salaries and cutting expenses, 5 percent here, 10 percent there. Then, a thing that would cost $600,000,000 is suggested without the batting of an eye. The wheat cost will be about $250,000,000 a year. I do not know exactly what the cotton cost will be, but certainly it will increase the price of cotton 3½ cents a pound, $17.50 a bale. If we have 15,000,000 bales—we will have at least 14,000,000 bales—but if we have 15,000,000 bales, that will cost the Government $250,000,000. The tragedy of it is that every time the prices are raised, all the private trade is taken out of the market. The producers are unable to wait forever. They merely say, "Let the Government have it. We will get it out of the Government loan, when the time comes."

The vote already taken today will cost at least $2,000,000,000, perhaps more.

The Senator from Vermont is as right as he can be when he suggests the first order of business ought to be to increase the borrowing power of the Commodity Credit Corporation by $5,000,000,000, because if the bill stays on the books, if the amendment, as now placed in the bill, could be enacted into law and remain on the books 3 years, it would use the $5,000,000,000 and all that remains.

I hope the Senate, much as I admit the fairness of all the Senator from Minnesota has proposed, will not accept his amendment. I grant it may be justified.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. THYE. I offered the amendment because hogs are listed in thirteenth place in the United States agricultural economy. Peanuts are included in the basic guaranty of 90 percent. We cannot find peanuts in the first 17 commodities in the agricultural economy of the Nation; they are not listed among the first 17 products. Rice is included as receiving 90 percent mandatory support. Rice is not to be found among the first 17 agricultural commodities listed as important in the agricultural economy of the Nation. Poultry and eggs are listed fourth in our national agricultural economy, with pork third. Turkeys are certainly important in the agricultural economy.

So I say, Mr. President, if there is any justification in guaranteeing support to peanuts and rice, when they are not placed anywhere near the top in our national agricultural economy, why am I not justified in asking for consideration for pork, poultry, eggs, and turkeys?

Mr. ANDERSON. I suggest to the Senator from Minnesota that he has been entirely too modest. He asks that these products be put into the 75-to-90-percent pattern. He should have demanded that eggs be supported 90 percent. Is there any Senator here today in whose State eggs are produced who voted to raise the support price on peanuts and did not vote to raise it on eggs? If we give 90-percent support to eggs it will cost the Government $150,000,000 a year.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG. Did I correctly understand the Senator to say that the Commodity Credit Corporation will have to have $5,000,000?

Mr. ANDERSON. In 3 years.

Mr. YOUNG. Would the Senator care to make an estimate as to how much it would amount to if the Brannan plan should go into effect, when it provides 15 cents more a bushel for wheat and 9 cents more a bushel for corn?

Mr. ANDERSON. I want to say to the Senator from North Dakota that we shall discuss those figures when we get to the Brannan plan, as we shall be discussing it if we require tremendous quantities of surpluses to be held in warehouses, because people will begin to talk about the disposal of surplus commodities, and we shall make a very good case for the persons who want to talk about it.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. SALTONSTALL. If this amendment should become law, along with the amendment which has just been adopted, will it ever be possible for the consumer to get lower prices?

Mr. ANDERSON. It will be possible, because there will always be a day when Congress can rectify this sort of thing.

If the Senate will pardon a personal reference, I left the Department of Agriculture with 15,000 bales of cotton on hand. We had tried to get rid of the cotton, and we had got rid of it except the amount which was required to be shipped back and forth across the country. We cleaned our shelves. Today there are 19,000,000 bales of cotton, 5,000,000 bales of which are in carry-over. Next year we shall have 9,000,000 bales in carry-over. What will the cotton farmer do? He will do the same as have the potato growers. He will say, "Every inch of ground I have must be fertilized in order to plant more cotton."

Did not the distinguished Senator from Kentucky [Mr. CHAPMAN] remark that the production of tobacco had increased to 1,300 pounds to the acre? Why is that? Because the price is extremely good, and with respect to tobacco we have been able to enforce controls. There is not a Senator who does not know that our experience with wheat and corn has been uniformly tragic and disastrous.

I am making this statement because there will be persons who will wonder why 37 Senators apparently voted against the best interests of the farmer, although we may say that the farmers, with the exception of one organization, recognize that 90 percent of parity will break the whole program. The American Farm Bureau Federation, the National Grange, and every other group except one, have realized that the constant purchase of dried-egg powder at $1.26 a pound, in order to store it away in a warehouse until we get 70,000,000 pounds which we cannot use, is not the last word in human wisdom.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Virginia.

Mr. ROBERTSON. If Senators who have voted against the amendment will follow the advice of the majority leader and vote for the bill on final passage with the hope that the Senator from New Mexico can take it to conference and get a proper bill, can the Senator from New Mexico give us definite assurance that if he fails in conference to get a suitable bill, he will bring it back to the floor of the Senate so that we shall have an opportunity to vote against the conference report if at that time we do not have the kind of bill we should have?

Mr. ANDERSON. My distinguished friend starts out with a number of hypotheses which I cannot answer. In the first place, I am at the very foot of the list of members of the Senate Committee on Agriculture and Forestry, and there is no assurance that I shall attend the conference. I say to the Senator that there is no assurance as to what will come out of the conference. The last conference in which I took part went on day after day and finally ended up with what I suppose should be called a "dog fall."

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. SALTONSTALL. The Senator stated in answer to a question of mine a few moments ago that prices to the consumer might be reduced in the future because of future congressional action. Does he mean by that answer that every bit of food which the consumer in any industrial community must buy will be either under quota or such price control that future congressional action must be taken before we can expect a price reduction?

Mr. ANDERSON. No; I did not mean that. I meant something similar to that which happened in 1924 or 1925, when there had been a great wave of veterans' legislation, and along came the Economy Act and wiped out much of it. We can pass bills, raise the costs, and provide for price supports for almost every commodity, but the day will come when we shall have to answer to the American taxpayers if we put all these commodities under control.

Mr. SALTONSTALL. If the amendment of the Senator from Minnesota, plus the amendment of the Senator from North Dakota and the Senator from Georgia, are in the bill, it means that the cost of living to the average consumer will be practically stabilized by Government supports, does it not?

Mr. ANDERSON. I do not want to answer that, because I do not know.

Mr. SALTONSTALL. Why is it not a fair question?

Mr. ANDERSON. I think it probably might be stabilized. I am not nearly so much worried about that as I am about the final loss of the farm program. I can see that today we have taken the first step toward destroying the farm program. It has made the farmer more prosperous and it has made industrial areas prosperous. I hope we recognize that as we move along. There can be, in my opinion, no greater disservice to the farmers of the Nation than to saddle them with fixed, rigid 90-percent supports year after year, from now on.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one more question?

Mr. ANDERSON. I yield.

Mr. SALTONSTALL. If this bill should become law in its present form, in an effort to be fair to the farmer are we not being unfair to the consumer?

Mr. ANDERSON. I do not think the bill will become law in this form. I think it has brought back again the alternative we had sometime ago of letting the Aiken bill become effective January 1 or adopting some new program. I do not believe this bill can become law. I should be greatly surprised if it could. I think there are differences between the House and the Senate which it would be difficult to reconcile, and I cannot imagine, in view of the budget situation, that the Congress would feel that this is a good bill for the President to sign.

Mr. CHAPMAN. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. CHAPMAN. The Senator referred a moment ago to a remark I made yesterday about the tobacco program, and he also discussed the price-support program in relation to tobacco.

At this time I should like to remind the Senate that the Treasury of the United States has never sustained a loss of a single dollar as a result of the tobacco support program. It is one product which ultimately pays approximately a billion and a half dollars of revenue into the Treasury.

Mr. ANDERSON. Mr. President, one of the reasons why I was almost willing to accept the amendment of the Senator—I did not accept it, but I was going to say that it was not a bad amendment—was because the people who produce tobacco found ways of controlling tobacco, and the Senator from Kentucky was taking a brave step yesterday. He was stating that tobacco allocations already had been cut to nine-tenths of an acre, and should be reduced still further to five-tenths of an acre in order to bring harmony. I say that is a good step, it is a step in the right direction, it is a step in which controls should be applied.

Mr. President, I did not intend to go into a long discourse, but I believe the Senate should realize that it is not merely a minor action it has taken. It runs into the billions of dollars at a time when the Bureau of the Budget is trying to attain economy.

I am glad to say that whatever the Committee on Agriculture and Forestry, and the subcommittee which studied the bill, did, was in an effort to find something which would not suddenly develop extremely high supports. I am happy there have been 37 Senators this afternoon who believe that what was recommended might have been a good step and one in the right direction.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. The Senator from New Mexico knows I had intended to be in opposition to the amendment offered by the Senator from Minnesota, believing that the support for animal products, with the exception of milk and butterfats, should be left entirely flexible, so that the Secretary could at all times keep the prices of animal products in line with the prices of grain. However, by the action this afternoon we have put the price of grain at a fixed high elevation, and have completely unbalanced the situation as between animal products and grain products. Therefore the only thing I wish to do now, in fairness to the producers of poultry products, dairy products, and meat animals, is to accept, on my part, the amendment of the Senator from Minnesota.

Before I conclude, I wish to say that no one ever worked harder to produce good legislation for the farmers of America than has the Senator from New Mexico. I agree with the Senator from Illinois, who has also conscientiously helped toward a permanently prosperous stabilized agriculture. The Senator from New Mexico probably is in a better position to know what is a good farm program than anyone else in the United States today.

The Senator from Minnesota [Mr. THYE] also worked very hard to keep the farm program on an even balance, so that it would not be lost to us.

I know that there is some opposition to the 1948 law because my name was connected with it. Personally I care little what title is given a law so long as it is a good law. We had a very hard fight last year to get the House to agree

even to let any permanent legislation go on the books. As a matter of fact, the present chairman of the House committee and the present ranking member on the majority side of the House committee never did sign the conference report, even though failure to pass that law last year meant going back to 52 percent support for the farmers.

I do wish to take this occasion to pay a deserved tribute to the Senator from New Mexico for his nonpartisan and very diligent though possibly futile efforts in behalf of the farmers of the United States.

Mr. THYE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Minnesota.

Mr. THYE. At this point I thank the very able and distinguished former Secretary of Agriculture, now one of our colleagues in the Senate, the Senator from New Mexico [Mr. ANDERSON], for the sincere, unbiased, impartial, hard service he has rendered in the development of the bill which has been under consideration yesterday and today. The only reason why I offered the amendment I have presented to the bill was that, looking over the cash farm income for specific commodities, and the total percentages the various commodities contribute to the national agricultural income, I find that cattle and calves are listed at the top. They total 16.5 percent; dairy products, 14.5; hogs, 13.2; poultry and eggs, 9.9; wheat, 9.9. Cotton lint is next with 6.8. Then come the truck crops, followed by corn, tobacco, fruit, potatoes, soy beans, cottonseed, sheep and lambs, citrus fruits, oats, and flaxseed. The flaxseed is figured in the seventeenth place in our national agricultural income.

Mr. President, I ask that this list be printed in the RECORD, in order that all Senators may read it.

The VICE PRESIDENT. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Cash farm income from specified commodities: Total and percentage distribution, United States, 1948

Commodity	1948 [1]	
	Cash receipts	Percentage of total
	Millions of dollars	
Cattle and calves	5,131	16.5
Dairy products	4,507	14.5
Hogs	4,110	13.2
Poultry and eggs	3,061	9.9
Wheat	2,767	8.9
Cotton lint	2,126	6.8
Truck crops	1,228	4.0
Corn	1,073	3.5
Tobacco	1,012	3.3
Deciduous fruits	901	2.9
Potatoes	499	1.6
Soybeans	475	1.5
Cottonseed	402	1.3
Sheep and lambs	402	1.3
Citrus fruits	287	.9
Oats	273	.9
Flaxseed	267	.9
Total cash receipts, all commodities	31,019	100.0

[1] Preliminary.

Source: Bureau of Agricultural Economics.

Mr. ANDERSON. Mr. President, I wonder if the Senator from Minnesota will not put his amendment in some spot where I think it should belong, in title II, item (c) where the price of whole milk is supported. Did the Senator mean to put it under basic commodities?

Mr. THYE. At the time I offered the amendment I said I would like to have it appear in the bill at the appropriate place, and the most appropriate place would be following dairy products, I think.

Mr. ANDERSON. Line 20, on page 4, after the word "butterfat." I am merely trying to put it in a place; I am still not happy about it.

Mr. THYE. This amendment was drawn by Mr. Harker T. Stanton, assistant counsel in the Office of the Legislative Counsel of the Senate, and it proposes on page 4, line 8, after the word "potatoes", to insert a comma and the following:

Hogs, eggs, turkeys, other poultry.

On page 5, line 6, to strike out the period and insert a semicolon.

On page 5, between lines 6 and 7, to insert the following:

(d) The price of hogs, eggs, turkeys, and other poultry, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 percent nor less than 75 percent of the parity price therefor.

Mr. ANDERSON. Mr. President, I do not care to detain the Senate; therefore, I hope we shall have a vote.

Mr. MORSE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Oregon.

Mr. MORSE. The Senator from Oregon wishes to know if he correctly understands the Senator from New Mexico. Is it the opinion of the Senator from New Mexico the so-called Russell-Young amendment, adopted by the Senate this afternoon, discriminates unfairly against those segments of American agriculture not covered by the amendment?

Mr. ANDERSON. I think it would. I had not put it in just that way, but any time when we require 90-percent supports on all the basics, there is no money left for anything else.

Mr. MORSE. Mr. President, I wish to pay the Senator from New Mexico [Mr. ANDERSON], the Senator from Vermont [Mr. AIKEN], and the Senator from Minnesota [Mr. THYE], my sincere compliments for the leadership and the statesmanship they have exhibited throughout the consideration of a new farm-program bill in this session of Congress. I have followed their leadership, because I thought it was sound, and that they were placing the interests of the people of the United States above the selfish interests of any particular segment of agriculture.

Mr. ANDERSON. I thank the Senator.

Mr. MORSE. Because I think the amendment which has been adopted is discriminatory in an unfair way against other segments of agriculture, I have sent to the desk an amendment which provides that a mandatory support price of 90 percent of parity shall be provided for fruit, tree nuts, and fish, including shellfish, because I think it is only fair to have a uniform program in respect to these agricultural products. I shall be very glad at any time to withdraw my amendment if we can get back to a principle of uniform treatment for all segments of American agriculture. I completely agree with the Senator from Vermont [Mr. AIKEN] that this afternoon we have permitted by action of the Senate certain segments of agriculture to have legislation discriminatory in their favor. But I shall press for the adoption of my amendment in the interest of uniform treatment to all sections of the country.

Mr. BALDWIN. Mr. President, will the Senator from New Mexico yield to me so that I may ask a question of the Senator from Oregon?

Mr. ANDERSON. I would prefer to yield the floor. However, I will yield to the Senator for that purpose if he desires.

Mr. BALDWIN. Mr. President, I simply wanted to ask the Senator from Oregon if in his amendment covering fruit, fish, and so forth, he included lobsters, clams, and oysters? I presume the term "shellfish" would include lobsters, clams, and oysters.

Mr. MORSE. The words "all fish, including shellfish" include oysters and clams.

Mr. BALDWIN. Would they include lobsters?

Mr. MORSE. I am not an expert on fish, but I would say that under the terms of my amendment the words "all shellfish" would include lobsters.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LANGER. Does the Senator's amendment also include spring lambs and mutton?

Mr. MORSE. I think they are already covered.

Mr. HOLLAND. Mr. President, I think every Senator is entitled to and should vote his opinions on a matter of this kind, and I have nothing but respect and consideration for the vote cast by any and every Senator. At the same time, since the adoption of the amendment a situation is created under which I feel that I should and will vote against the bill with the amendment in it. I feel that perhaps a brief statement should be in the RECORD to indicate clearly just what my feelings are upon the matter.

In the first place, I should like to place in the RECORD, Mr. President, with unanimous consent, a table prepared by the staff of the Senate Committee on Agriculture and Forestry, of which I am cutting out all but three of the tables which, in parallel columns, show for each of the basic agricultural commodities the figures for next year first, under the Gore bill as passed by the House; second, under the Aiken Act, or title II of the bill passed last year; and, third, under the so-called Anderson bill which was reported to the floor of the Senate and is now under debate. Mr. President, I ask unanimous consent that the table may be placed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Specified commodities: Estimated maximum support levels for 1950 based on parity index for July 15, 1949, and estimated average prices received by farmers, 1940–49

Commodity	Unit	90 percent present parity (Gore bill)	90 percent title II 1948 act (Aiken Act)	90 percent title II 1948 act including wage rates (Anderson plan)
Basic commodities:				
Wheat	Bushel	$1.94	$1.84	$1.84
Corn	do	1.41	1.34	1.36
Cotton	Pound	.2723	.2587	.2587
Rice	Bushel	1.78	1.96	2.07
Peanuts	Pound	.105	.100	.100
Tobacco:				
Flue-cured	do	.422	.428	.453
Burley	do	.410	.435	.460

Mr. HOLLAND. Mr. President, and Senators, without attempting to quote in great detail from that table, I merely want to call to the attention of the Senate the fact that in two of the basic agricultural commodities out of six the action which has been taken here by the Senate means that the wartime support prices as they would have applied under the Gore bill will be much greater for those two particular commodities in the next year's production than would even have been true under the Gore bill. The two commodities I mention are rice, which instead of being $1.78 per bushel as it would have been under the Gore bill, will be $2.07 per bushel.

Tobacco, both flue-cured and burley. Flue-cured, instead of 42.2 cents as it would have been under the Gore bill, will be 45.3 cents, and burley, instead of being 41 cents, as it would have been under the Gore bill, will be 46 cents. I call attention to these figures, and, along with them, to the figures applicable to wheat, corn, cotton, and peanuts, which are not quite so large under this program as they would be under the Gore bill, though they are larger than they would have been under any other plan that has been proposed.

I do this because it should be perfectly manifest to the Members of the Senate and to the public that the support of the agricultural program upon a basis of that kind means clearly three things. First, the discrimination which has been mentioned here already upon the floor, because if there are large crops in these various basic commodities, there is no way in the world to support them with anything like the funds that have customarily been made available by Congress except by leaving nothing whatever for all the crops which are not under mandatory support prices.

Mr. President, we people who have raised tree crops and vegetable crops have gotten used to going along without any support prices, but nevertheless we had hoped that the new day which was promised through this bill would have a greater meaning to the producers of about 10 percent of the agricultural volume of the Nation, who produce fruits and vegetables, and that we would have some active, some real help under this program.

I think it would be wholly illusory for anyone to think for a moment that with a support price list for the basic commodities of the type shown here, and which has just been voted by the Senate, there would be any hope whatever within the amount of any contribution which will be made by the Federal Government or appropriations which can be passed here for the support of fruits or vegetables and many other important crops which are not within the category of basic agricultural commodities.

So in the first place, Mr. President, I shall vote against the bill as amended, because I think it is highly discriminatory. It is more discriminatory than the measure which we passed last year against the chance to secure a little part in the national farm agricultural program for those millions of growers who are not producing basic agricultural commodities.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. SALTONSTALL. In trying to be fair to every farmer, is not the bill in its present form, if the amendment of the Senator from Minnesota [Mr. THYE] is adopted, being utterly unfair to the consumer?

Mr. HOLLAND. Mr. President, the Senator is exactly correct, and I was coming to that point later in my remarks.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HOLLAND. Permit me to complete my answer. At least in the judgment of the junior Senator from Florida the amendment adopted is, of course, highly unfair to the consumers of the Nation.

I now yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I do not understand how the senior Senator from Massachusetts could charge the bill to be absolutely unfair to the consumers, because the amendment I have offered relating to pork, poultry, eggs, and turkeys only calls for a mandatory support from 75 percent as the minimum, up to 90 percent. In my opinion that certainly is absolutely fair and reasonable; because we start out with a minimum of 75 percent and go up to 90 percent, whereas other proposals make it mandatory that the support is absolutely 90 percent. I was talking entirely about some of the commodities which are very high in the list of the national agricultural income. I think my amendment contains very reasonable requirements when compared with other items.

Mr. HOLLAND. Mr. President, I certainly want to make it clear that in no sense did I mean to infer in the slightest that the support program on the commodities mentioned by the senior Senator from Minnesota in a range of 75 to 90 percent of parity as defined in the Anderson bill, is unfair to consumers. I was speaking instead—and I believe the senior Senator from Massachusetts so understood me—about the program as it affects the basic agricultural commodities under the amendment which was just adopted a short while ago.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. SALTONSTALL. In answer to the Senator from Minnesota I wish to say that I had utterly no criticism to make of him. I had in mind what the situation of the consumer would be if all the amendments proposed were adopted. The Senator from Oregon has offered an amendment, and the Senator from Minnesota has offered an amendment, in an effort to try to get a bil which would be fair to the farmer. If all these amendments are placed in the bill, does not the bill then become unfair to the consumer? That is my question.

Mr. THYE. I thank the Senator for clarifying his statement.

Mr. HOLLAND. Mr. President, if I may continue my statement, I shall try to make it brief.

In addition to being discriminatory, may I say that this program, in my opinion, will result in the greatest degree of regimentation which has ever been imposed upon the producers of basic agricultural commodities. For that reason I oppose the program as amended, and will vote against the bill as amended.

This is not a temporary program. This is a permanent program. It is guaranteed not on the basis of 1 year. It is absolutely impossible for the Federal Government to support a program of this size without bringing about a need eventually—and I think it would be very soon—for a restriction of production and a very careful regulation of production which would bring a regimentation to the producers of basic commodities such as I believe no real farmer wants. If there has ever been any group in our Nation who are independent individualists, it is the farmers. I take off my hat to them. In my opinion, this program will bring to them a degree of regimentation such as they have never suffered before, and such as no farmer has wanted to endure. That is the second reason which I think makes this bill such that I must vote against it.

In passing let me say that I fully and completely approve of the statement made a few minutes ago by the distinguished chairman of the subcommittee a former distinguished Secretary of Agriculture, who I think has done a wonderful job in supplying leadership for working out this bill. His statement was to the effect that every responsible farm group and farm leader in this Nation, with the exception of one—and I think he meant the National Farmers Union—believes that such a program as that included within the amendment which was adopted, is unsound, unsafe to the Nation, and particularly dangerous to the farmers themselves.

I call attention to the fact that every member of the Committee on Agriculture and Forestry, and I believe every Member of the Senate, has in his file very specific expressions on this subject from the National Farm Bureau Federation, the National Grange, and the National Council of Cooperatives. I

think there cannot be the slightest doubt that those who have the real right to speak for agriculture as it is organized, and as it is fighting for the rights of the farmers from one end of the Nation to the other, have spoken out in no uncertain way against the adoption of the amendment which was adopted a short while ago.

The third point I wish to make is this: I realize that these points cannot all be operating at the same time. For example, if a high degree of regimentation is imposed, we may meet the first point I made, about the over-great expense and the discrimination which results. But one or the other of those things will undoubtedly result. However, the third point is bound to result in any case, in my humble judgment. It is for that added reason that I wanted to make this statement for the RECORD. I refer to the point which was brought out by the question of the senior Senator from Massachusetts [Mr. SALTONSTALL], namely, that the rights of the consumers, the citizens from one end of this country to the other who live upon the products produced by our farmers and who clothe themselves with the products of our farms, are going to have to pay larger prices because of such an artificially high, continuing, permanent, inflexible support program such as the one which has just been adopted.

So with great respect for those who differ with me, and conceding to them good conscience and the right to express that conscience in their vote, I wished to make this statement for the RECORD. I believe the Senate has just made a tragic mistake, and I believe that events will so show clearly as we move along into the future.

Mr. WILLIAMS. Mr. President, earlier in the afternoon I discussed with the Senator from New Mexico the question whether or not he would accept an amendment to section 413, which now reads as follows:

> Determinations made by the Secretary under this act shall be final and conclusive.

At that time I stated that in my opinion this was conferring upon the Secretary of Agriculture entirely too much power. We had practically agreed on an amendment which would circumscribe his power. I do not feel now that I can offer that amendment at this time, because in view of the action the Senate has taken this afternoon, we might just as well recognize the fact that the Secretary of Agriculture must have the power of a dictator in order to carry out the 90-percent parity program the Senate has just approved. Therefore, much as I dislike to confer upon him such power I do not see how we can cut it down. I think we should tell the American farmers frankly that if they are to have a 90-percent support level projected over the indefinite future, it will mean the regimentation of every farm in America. I think that unless we are willing to confer upon the Secretary of Agriculture the power to carry out the provisions of this program, we cannot afford to adopt it.

Last year the Senate included in the Aiken bill a provision extending the 90-percent parity formula through the calendar year 1949. Now in order that the Senate might know how this has resulted in the excessive accumulation in Government storage houses of agricultural commodities I shall quote from the June 30, 1949, report of the Commodity Credit Corporation.

On June 30, 1948, the inventories of the Commodity Credit Corporation were a little more than $247,000,000. During this year of operations under the 90-percent support formula, the purchases of the Commodity Credit Corporation were such that it was left on June 30, 1949, with an inventory of $1,132,531,000, or an increase of approximately $1,000,000,000. Since June 30, they have still further increased our inventories until today I understand they are over $3,000,000,000.

As the Senator from New Mexico pointed out, we might just as well be ready to extend additional borrowing power to the Commodity Credit Corporation of many billions of dollars during the next 2 or 3 years if we are to carry out this program maintaining the 90-percent parity.

Speaking of economy, I agree with the Senator from Illinois [Mr. LUCAS]. We might as well stop talking about economy if we are going to protect a 90-percent price-support level on agricultural commodities into the indefinite future.

Mr. President, I come from a State which is looked upon by many as being an industrial State. What is often overlooked is that Sussex County in the southern part of our State ranks third in agricultural production among counties east of the Rocky Mountains.

I think I know the farmers in my State. They do not want a gift from the Government. They are not asking for any subsidies. I believe that the Government does have an obligation to safeguard the interests of the American farmers, but it has always been my contention that a support price on any agricultural commodity should never exceed the cost of production and all farmers, regardless of geographical location or type of crops produced, must be treated on a basis of equality. I do not believe that the support price of any agricultural commodity can successfully be maintained above the cost of production without the adoption of strict acreage controls and the complete regimentation of the American farmer and the loss of his freedom.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing the list of commodities which, as of June 30, 1949, the Commodity Credit Corporation has been forced to buy and accumulate during the previous fiscal year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Commodity inventories and commodities under contract to purchase as of June 30, 1949

A. COMMODITY INVENTORIES

Program, commodity branch, and commodity	Quantity	Unit of measure	Value (cost)	Reserve for losses	Net book value
Price-support program:					
Cotton:					
American-Egyptian	32	Bale	$7,107.34		$7,107.34
Upland	459	do	49,160.14		49,160.14
Flax fiber	235,728	Pound	110,825.73	$37,700	73,125.73
Dairy:					
Butter	6,386,177	do	3,766,559.51		3,766,559.51
Milk, dried	83,410,414	do	10,339,342.94		10,339,342.94
Fats and oils:					
Flaxseed	17,524,698	Bushel	109,725,121.15	43,617,000	66,108,121.15
Linseed oil	295,835,870	Pound	81,895,696.16	29,533,000	52,362,696.16
Peanuts:					
Farmers' stock	72,639,445	do	7,994,529.27	1,685,000	6,309,529.27
Shelled	14,726,383	do	2,436,548.38	442,000	1,994,548.38
Soybeans	10,343,048	Bushel	25,674,268.03		25,674,268.03
Fruit and vegetable:					
Fruit, dehydrated or dried:					
Prunes	10,756,200	Pound	919,312.32	117,600	801,712.32
Raisins	4,150,080	do	387,636.78	6,000	381,636.78
Potato starch	10,636,258	do	600,755.18	402,000	198,755.18
Grain:					
Barley	24,934,271	Bushel	33,204,949.40	5,348,000	27,856,949.40
Beans, dry edible	4,824,860	Hundredweight	39,807,151.77	6,417,000	33,390,151.77
Corn	5,648,231	Bushel	9,925,813.94	1,130,000	8,795,813.94
Grain sorghum	13,659,380	Hundredweight	37,736,605.61	9,562,000	28,174,605.61
Oats	9,880,619	Bushel	7,780,929.63	1,482,000	6,298,929.63
Peas	402,821	Hundredweight	1,943,162.69	624,000	1,319,162.69
Rice	10,744	do	44,713.66	9,200	35,513.66
Rye	777,890	Bushel	1,128,304.73		1,128,304.73
Seeds, hay and pasture	725,422	Pound	144,898.24		144,898.24
Wheat	227,178,163	Bushel	529,281,549.82	56,795,000	472,486,549.82

Commodity inventories and commodities under contract to purchase as of June 30, 1949—Continued

A. COMMODITY INVENTORIES—continued

Program, commodity branch, and commodity	Quantity	Unit of measure	Value (cost)	Reserve for losses	Net book value
Price-support program—Continued					
Livestock:					
Wool:					
Appraised	[1] 71,509,623	Pound	$62,298,136.90	$9,859,000	$65,845,008.03
Unappraised	24,510,619	do	13,405,871.13		
Poultry:					
Eggs:					
Dried	63,183,456	do	81,328,091.27	38,983,000	42,345,091.27
Liquid or frozen	3,939	do	1,269.69	1,150	119.69
Tobacco:					
Naval stores:					
Rosin	210,875,650	do	17,017,619.76	3,163,000	13,854,619.76
Turpentine	3,409,990	Gallon	1,856,066.11	509,000	1,347,066.11
Tobacco	[2] 3,534,420	Pound	952,476.49		952,476.49
Total price-support program			1,081,764,473.77	209,722,650	872,041,823.77
Supply program:					
Dairy: Milk, dried	69,104,456	Pounds	8,825,798.49		8,825,798.49
Fats and oils:					
Cottonseed oil	10,010	do	3,273.95		3,273.95
Soybean oil	4,733,545	do	678,196.38		678,196.38
Soybeans	70,650	Bushels	170,835.06		170,835.06
Fruit and vegetables: Flour, potato	1,425,900	Pounds	99,759.11		99,759.11
Grain:					
Barley	8,106	Bushels	29,021.54		29,021.54
Flour, wheat	14,977,900	Pounds	694,695.90		694,695.90
Rye	499,463	Bushels	814,659.68		814,659.68
Sorghum starch	3,900,000	Pounds	144,300.00		144,300.00
Wheat	5,078,146	Bushels	12,727,724.87		12,727,724.87
Livestock:					
Lard and other animal fats	6,567,226	Pounds	480,347.36		480,347.36
Mexican meat, canned	90,628,873	do	26,073,088.66		26,073,088.66
Pork, salted	219,016	do	25,819.80		25,819.80
Total supply program			50,767,520.80		50,767,520.80
Total			1,132,531,994.57	209,722,650	922,809,344.57

[1] Grease wool 30,505,730 pounds: scoured/carbonized 41,003,893 pounds.
[2] Dry weight.

NOTE: Inventories of commodities as shown in this report include commodities committed to sale or otherwise obligated. Thus, the quantities shown do not represent the quantities available for sale or other disposition.

B. COMMODITIES UNDER CONTRACT TO PURCHASE

Commodity	Quantity	Unit of measure	Value (cost)	Reserve for losses	Net book value
Eggs, dried	5,025,503	Pound	$6,338,572.02	$3,518,000	$2,820,572.02
Linseed oil	56,185,768	do	15,592,361.23	5,647,000	9,945,361.23
Prunes	58,790,300	do	4,543,315.21	1,052,000	3,491,315.21
Raisins	51,939,740	do	4,133,032.90	113,000	4,020,032.90
Total			30,607,281.36	10,330,000	20,277,281.36

NOTE.—Firm contracts to purchase are reflected in the accounts for only those commodities on which it is estimated losses will be sustained upon disposition of the inventory to be acquired.

Mr. WILLIAMS. Mr. President, I wish to call attention to one or two of these items. For instance we have in storage more than 6,000,000 pounds of butter. We have on hand over 63,000,000 pounds of dried eggs, the equivalent of over 180,000,000 dozen shell eggs, we have stored away over 10,000,000 pounds of dried prunes, over 4,000,000 pounds of raisins, nearly 15,000,000 pounds of peanuts. We have stored in these warehouses over 140,000,000 pounds of dried milk.

All of these commodities were purchased with the taxpayers' dollars and removed from the normal market channels, thus creating an artificial shortage, thereby forcing the consumer to pay excessive high prices. Such a program is economically unsound and must be corrected. If this bill is not recommitted and resubmitted upon a more realistic level I shall vote against its passage.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. THYE].

AGRICULTURAL PRODUCTS PRICE SUPPORT VERSUS EFFECT OF POLICIES UNDER THE TRADE AGREEMENTS ACT

Mr. MALONE. Mr. President, in the opinion of the junior Senator from Nevada, the entire agricultural program lacks one important feature, and that is protection from agricultural imports from the lower wage and lower-living-standard nations of the world.

No price support of farm prices can possibly be successful unless farm products are protected from such imports.

I am personally in accord with the purpose of legislation which seeks to maintain a price on farm products at the American cost level. In connection with this bill, I want to point out that the bill will not provide a permanent program for agriculture without a provision which makes mandatory such import fees or quotas which may be required to prevent imports from underselling our American price level.

For example, the distinguished Senator from New Mexico [Mr. ANDERSON] in the debate on this bill called attention to the fact that dried eggs which were processed for the Commodity Credit Corporation under the support program were unsalable at $1.26 per pound because the trade could buy China dried eggs for $1.10 a pound. Our dried eggs go into storage, and yet we are buying dried eggs from China, while China is on a starvation diet. The same principle will apply to many other products; it is just a question of degree. The remarks of the distinguished Senator about eggs can be applied to all farm products and raw meats.

Without protection against imports, the United States is placed in the position of having to support the farm price structure throughout the world in order to protect our own producers.

We should have import fees which can be and should be flexible, so as to represent the difference between our price-support level and the world price levels, and such import fees should automatically become mandatory when imported products undersell our own.

Unless we do have such an import fee we shall find ourselves in the rather ridiculous position of buying food away from the starving people of other na-

tions, while our own agricultural products go into storage.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an address on this important subject which I delivered yesterday at St. Paul, Minn., before the American Federation of Labor.

In the address I described the effect of the selective "free trade" policy of the State Department, which is based upon the 1934 Trade Agreements Act, as extended.

I described the effect of that policy upon the American workingmen and upon the American investors. I said that the more than 80-year-old tariff and import fee policy of establishing a floor under wages is being abandoned and we are importing unemployment. I said that we have placed the fate of the American workingmen and American investors in the hands of a State Department which permits the lower wage and lower living standard foreign competitors to have a voice in determining our own living and wage standards—and I said that such a procedure amounts to a conspiracy to lower the wage-living standard of the American people.

Mr. President, I submit the address for printing in the RECORD as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AMERICAN WORKER VERSUS FREE TRADE

IMPORTING UNEMPLOYMENT

In a recent issue of Time magazine, I was rather contemptuously quoted as saying that due to the so-called reciprocal trade treaties which the President now has the power to make, America was importing unemployment.

That quotation was accurate.

I did say it, and I mean every word of it.

I am glad for this opportunity to spell out exactly what I mean and why I am correct.

It is particularly fitting that this speech should be made on this occasion before the most important labor group in the entire world.

I want to talk to you about your own future and the future of your family and children.

When I say that your standard of living has been put in jeopardy by the State Department's policies, I ask that you not make up your minds that I am wrong until you have heard my reasons.

AMERICAN COMPETITION

How do you and your members make your living?

You do it by producing things that other workers are willing and able to buy.

These other workers exchange their hours of labor for your production, and you, in turn, exchange your hours of labor for the things they produce.

You are each other's customers, and you give each other employment.

And if there are no other workers willing and able to employ you, there is nothing on God's green earth that can prevent your being out of a job.

The corporations and organizations for which you work can't do anything about it.

Their only source of money with which to meet your pay roll is the customer—no customer, no pay roll.

Now, whether or not these customers will continue to buy depends upon two things: Whether they have that much money—and whether the thing you produce is the best bargain in the market.

Every group of workers in a given business is in competition with every other group of workers in the same business.

Chevrolet workers are in competition with Ford workers—Swift workers are in competition with Cudahy workers.

That is good healthy competition, and even if Ford can't compete (as he was unable to do when he persisted in stringing along with the model T), the Ford workers can go across the street and make the Chevrolets that Ford's ex-customers have decided to buy, until he designs a car that brings the customers back.

But even when things like this are not happening, the competition does not hurt the workers because no one company can substantially undersell any other company and drag away large groups of customers.

The reason for this is that all the workers involved make about the same wages, which means that the price asked from the customer is about the same for an equivalent product, because wage rates are the overwhelming factor of cost.

As long as the wages of competing workers are about the same their standard of living is not in danger.

AMERICAN WAGE-LIVING STANDARDS VERSUS FOREIGN CHEAP-LABOR COMPETITION

Now, let's see what happens when we get into foreign trade.

Let's take Joe America, who is making watches in Massachusetts.

He gets $1.25 an hour, and he can compete with every other watchmaker who gets $1.25 per hour.

But what happens when he gets into competition with Joe Switzerland, who is a watchmaker in Geneva and is getting only 50 cents an hour?

The answer to that is what actually happened: Joe America up in Waltham found his plant shut down—and 75 percent of the watch movements sold through other American companies are coming from Switzerland.

Now, what can Joe America do?

He has two choices: Go to work for 50 cents an hour and compete with Joe Switzerland, or he can learn a new trade.

Neither is a good choice—he is out of luck simply because the low tariff or import fee on foreign watches pulled the rug out from under him.

AMERICAN UNIONS AND MANAGEMENT AND FOREIGN CHEAP-LABOR COMPETITION

Now, let's go back for a minute and see why men join unions.

First of all, they want to be sure of a wage that is in line with the wages of the other workers who make the things they have to buy.

Second, they want job security.

The unions and management can give the men both of those things as far as the domestic situation is concerned, but what happens when cheap foreign-made products cascade into American markets?

The answer is quick and simple: The floor that has taken 50 years to build under the American workers' standard of living and job security collapses.

The customers find better values in foreign-made goods, and they would not be human if they did not take advantage of them.

And the American workers who would have made those products are out of a job.

That is why I said, and will keep on saying as long as I have breath in my body: "When we import cheaply made competitive goods—we import unemployment."

Why is it that so many politicians who would not dream of voting for unrestricted immigration of cheap labor go right ahead and vote for the unrestricted importation of the products they make? There is no essential difference between the two policies.

President Truman says he is not going to allow that to happen, even though he has the power to make it happen.

Well, it has already happened under the emergency legislation (which emergency by the way, has been kept alive for 15 years) and can happen again and much more seriously.

Already the pottery workers, the glass workers, bicycle workers, carpet workers, woolen workers, workers who produce silver, zinc, lead, mercury, tungsten, manganese, copper, aluminum, paper, chemicals, and textiles are feeling the pinch that has already squeezed the watchmakers. And only for the agricultural price-support program—many agricultural products and agricultural workers and farmers would also be severally affected by this time.

As I said, the President promised that this would never be allowed to become serious, but when my group in the Senate wanted him to give up the power to make it serious, he put the heat on his majority, and we were snowed under.

FAIR AND REASONABLE COMPETITION

One of the excuses given by the administration for hamstringing American workers is that the foreign workers are in distress.

Let's look at this argument, not through the confused eyes of our foreign policy makers, but just plain common sense.

My proposal, known as the flexible import fee, would, for example, put enough tariff on Swiss watch parts to make them competitive with American parts of equal quality.

Nobody wants to prevent all foreign products from entering our markets; we just want them to be fair competition.

The bleeding hearts in the State Department believe that an equalizing import-fee on Swiss watch movements would have been bad for the Swiss watchmaker.

Let's see if it would.

At present his employers are sweating him to get cheap watches into America.

Suppose his employer could no longer get away with this because the import-fee equalized his cost with American prices?

Here is what would happen.

Under those conditions there would no longer be any incentive for the employer to sweat the Swiss worker, and his wages could be raised painlessly because, as the cost of the parts went up, due to wages, the equalizing import-fee would go down.

The only loser would be the United States customs.

That point is very important, and I want to explain it in detail.

Suppose a Swiss watch movement now enters this country for $5 and sells for $7.50, while an equivalent American watch movement must sell for $10.

The flexible import-fee on this movement would be about $2.50 and then each of the two watches would then sell to the public for $10—the largest factor in this differential of cost is, of course, the difference in the wages of $1.25 per hour for the American worker and the 50 cents per hour for the Swiss worker.

The Swiss employer would soon see that there was no sense in giving $2.50 to the United States customs when he could just as easily give most of it to his own workers and keep a little extra for himself.

That is the best way I know of to really help the Swiss worker raise his standard of living.

And if his employer raised the price and tried to keep the entire $2.50, the Swiss Watchmakers Union would have a perfect set-up for a strike that would get real results.

CONSTRUCTIVE INTERNATIONALISM

It is supposed to be treason nowadays to oppose the pouring out of America's heart blood to the war-torn world; but I can't help but wish there were some court that could forget about getting out injunctions against give-away radio programs and worry about our give-away foreign-policy program.

I'm just a freshman Senator from Nevada, and have worked like blazes for everything I ever got, and I'm old-fashioned enough to believe that charity begins at home.

Of one thing I am sure:

If our program to help the world involves weakening America and destroying the standard of living of the American worker, that program is bad for the entire world, including the people getting the help, because without a strong America, the world is headed straight for the kind of a slavery government that the foreign nations are trying so desperately to avoid.

I claim that we can be intelligent, honest internationalists without subscribing to the crippling of America's strength and vitality. In fact, it is, to my mind, the essence of constructive internationalism.

Make no mistake. We face, in Moscow, a fanatical enemy that would rather have its millions of people perish in the blast of a superatom bomb than give up their dream of world conquest.

It is only the health and productivity of American industrial production that stands between them and the realization of that dream.

I would not say, and I do not believe, that the administration in Washington would deliberately do anything to aid Moscow, but when you lie on your deathbed, it doesn't make you feel any better to know that the doctor honestly did not know that he was giving you the wrong medicine.

THE TARIFF OR IMPORT FEE—A FLOOR UNDER WAGES

Let's look at the subject of tariffs, just as if we knew nothing at all about them.

A tariff is an amount of money that an importer has to pay before he can sell a given product.

Why do we have tariffs?

There are only two legitimate reasons: One, to raise money for the Government, and two, to put a floor under wages, under the price for which the product can be sold.

Any other reason for imposing a tariff is not a legitimate reason.

What is our present tariff policy?

It is being carried on under what is called the Reciprocal Trade Act, which is a misnomer because there is no such act on our statute books. The phrase "reciprocal trade" does not occur in the Trade Agreements Act.

We do have the 1934 Trade Agreements Act, as extended in 1949, and from that comes the President's authority to give away your shirt if he so decides.

This Reciprocal Trade Act title is really a slogan, and a phony one, to sell free trade to the American worker.

The other day I looked up the word "reciprocal" in the dictionary.

It means mutual, shared alike by both sides.

Now, if there's anything reciprocal about most of the deals made under the so-called Reciprocal Trade Act, I'd like to know what it is.

The truth is that, since 1934, America's tariff policy has been a political football to bolster up half-baked diplomatic schemes, to reward or punish different governments who have or have not acted as our State Department wanted them to act, and to curry favor with governments which needed a little sweetening up.

The principal purpose for tariffs in the United States—namely, to put a floor under the workers' standard of living—has been largely ignored.

EIGHTY-YEAR-OLD POLICY OF PROTECTING AMERICAN LABOR'S WAGES DISCARDED

I have often said that America's tariff policy should return to the traditional purposes for which it was intended.

What are these purposes?

The actual revenue that we collect on imports is not particularly important.

What is this primary purpose?

I will give it to you right out of the political platforms of times when America developed into a big-league Nation:

Here's 1860. "While providing revenue for the support of the general government, by duties upon imports, sound policy requires such an adjustment on tariffs as to encourage the development of the industrial interests of the whole country."

Here's 1872: "(Tariffs) should be adjusted as to aid in securing remunerative wages to labor."

Here's 1876: "Duties on imports should, as far as possible, be adjusted to promote the interests of American labor and advance the prosperity of the whole country."

Here's 1880: "We reaffirm the belief that duties levied for the purpose of revenues should so discriminate as to favor American labor."

Here's 1884: "(Tariffs) shall be so levied as to afford security to our diversified industry and protection to the rights and wages of the laborer."

In 1888 the country was dabbling with free trade, and Benjamin Harrison was elected with the following plank: "We are uncompromisingly in favor of the American system of protection, and we protest its destruction by the President and his party. They serve the interests of Europe: We will support the interests of America. The abandonment of the protective system has always been followed by general disaster to all interests, except those of the money lender and the sheriff."

In 1892 came first mention of the flexible import-fee principle: "We believe that all articles which cannot be produced in the United States * * * should be admitted free of duty, and that on all imports coming into competition with products of American labor, there should be levied duties equal to the difference between wages abroad and at home."

That is the traditional tariff principle that built America into the world's greatest Nation and made American labor the aristocracy of the world's workers.

That is the traditional principle that is being abandoned and without which—as sure as sunrise—the American worker cannot maintain his standard of living.

Under the selective "free trade" principle adopted by the State Department, based upon the 1934 Trade Agreements Act as extended, the low-wage living standard and slave labor throughout the world is placed in direct competition with American workingmen.

Between 1918 and 1921 America had a taste of what happens without protective tariffs or import fees.

In the 2 years of 1918 and 1919, protective tariffs were reduced 33 percent, and domestic prices and employment fell off so sharply that on May 28, 1921, an emergency tariff was rushed through the Senate.

It is true that the farmer was the chief beneficiary of this emergency tariff, but in our closely interrelated economy, no one group can suffer without affecting all other groups.

When the farmers are unable to buy their share of the factory output, some of the factory workers must stop work.

That was the last time America monkeyed with the tariff machinery until 1934.

At that time emergency powers were given to the President to call the signals as he saw them.

This act authorized him to lower any tariff up to 50 percent.

It was supposed to last for 3 years, but it has been extended, extended, and extended, and if the recent vote of the Senate is any clue, we will have it for a long time to come—unless the American worker sees his interests in their true light.

As matters now stand, your future, as it is affected by tariffs, is no longer in the hands of your elected representatives: It has been delegated by Congress to the State Department without any reservations whatsoever.

And it is my conviction that if something isn't done about it, the administration will abolish all tariffs and change to a system of quotas based on strictly political situations.

And where will that leave the American worker?

THE FATE OF AMERICAN WORKINGMEN AND INVESTMENTS IN FOREIGN COMPETITORS' HANDS

In closing I would like to point out the fallacy of putting the fate of the workingmen and the investments of America into the hands of a State Department which permits our foreign competitors a voice in determining our own standard of living.

It amounts to a conspiracy to lower American wage-living standards—and destroy American investments.

FREE IMPORTS—FREE IMMIGRATION

There is no effective difference between importing the products of foreign low-wage living standard labor and in importing the labor itself. In either case we are importing unemployment.

It would be very difficult to justify a vote against free immigration if we vote for importing the products of the low-cost foreign labor.

LABOR'S MONTHLY SURVEY

I quote from your own August–September 1949 American Federation of Labor Monthly Survey—"Also we can only lift our tariff barriers when production of other countries is of high quality and made under similarly high labor standards."

I subscribe to that statement 100 percent.

The greatest service that the American Federation of Labor can render the foreign low-paid worker is to support the flexible import fee principle—so that the incentive would no longer exist for foreign governments to hold their workers pay down in order to enter the American markets by circumventing tariff rates.

This Nation is in dire need of an American policy for the American worker.

ABOLISH TRADE-AGREEMENTS ACT

But before any policy can be effective we must abolish this Trade Agreements Act, which is used solely to flood this country with the products of cheap foreign labor. This importation of unemployment must stop.

Congress can then lay down a principle to encourage legitimate foreign trade by establishing a definite market for the products of all nations but on a fair and reasonable competitive basis with our own products.

ADOPT THE FLEXIBLE IMPORT-FEE PRINCIPLE—FAIR AND REASONABLE COMPETITION

I do not think it unreasonable to demand that American products be protected from unfair, slave-labor, foreign competition in our own market.

The flexible import fee principle would guarantee fair and reasonable competition since import fees would be fixed on that basis in the same manner as the Interstate Commerce Commission fixes freight rates for carriers, namely, on a basis of a reasonable return on investment.

Through the flexible import-fee principle, a market is immediately established on a definite basis for the products of all foreign nations, and as they raised their general wage-living standards the flexible import fee would be lowered accordingly.

NO HIGH OR LOW IMPORT FEE

Under the flexible-import fee principle, there would be no consideration of a high or a low tariff or import fee, but the import fee would at all times correctly represent the differential in labor standards between here and abroad.

ONE POLICY FOR ALL

We must have one tariff and import policy for all sections of our country and all sectors

of our population. The Congress of the United States cannot longer allow a foreign-minded State Department to make discriminatory trade agreements which have the effect of favoring one section of the Nation or one sector of the population over another. The flexible-import-fee principle would protect all sections and sectors alike.

WELCOMES FAIR, REJECTS UNFAIR COMPETITION

The greatest factor in the cost of almost any imported product is labor. Well, this flexible-import fee would continually measure the difference between the cheap foreign labor rates and our own.

It would prevent the foreign product from gaining an unfair price advantage over the American product in our own market.

The flexible-import-fee principle would accept and welcome all competition on our wage-living standards, but it would automatically reject all unfair competition with American labor standards.

EQUAL ACCESS TO OUR MARKETS—CANNOT ASK FOR MORE

All of the foreign nations of the world would immediately be offered equal access to the American markets on a basis of our wage-living standards. They cannot in good faith ask for more.

Mr. MALONE. Mr. President, unless we have such a flexible import-fee system in connection with our price-support program, we face the necessity of supporting the prices of agricultural products throughout the world in order to support our own.

In this connection, I offer for printing in the RECORD an Associated Press dispatch from the Baltimore Evening Sun, headed "Senator alleges importation of unemployment."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR ALLEGES IMPORTATION OF UNEMPLOYMENT

ST. PAUL, October 3.—Labor was told by Senator MALONE, Republican, Nevada, today to be on guard against importation of unemployment.

"When we import cheap competitive goods, we import unemployment," MALONE said in an address prepared for delivery at an AFL meeting.

Tariff policies which permit unequal, unfair, and injurious treatment of United States products affect the pocketbook, the standard of living and the general welfare of every American worker, MALONE said.

IMPORTING UNEMPLOYMENT

"We are now importing unemployment under the trade-agreements program of the State Department," he added. "We are permitting underpaid and slave labor products from foreign nations to compete on an unfair basis with our higher paid workingmen for our own rich, domestic markets."

He referred to difficulties of the Waltham Watch Co. which he said was overwhelmed with imported watches made by underpaid Swiss labor.

"Already," he said, "the pottery makers, the glass workers, bicycle workers, carpet workers, woolen workers, workers who produce silver, zinc, lead, mercury, tungsten, aluminum, paper, chemicals, and textiles are feeling the pinch that has already squeezed the watchmakers."

FLEXIBLE TARIFF PROPOSED

He described his own proposal to substitute a flexible import fee for the present tariff system.

It would, he said, put enough tariff on Swiss watch parts to make them competitive with American parts of equal quality. The competition then, he said, would be on a basis of value.

Under his system, if wages or other costs of producing the foreign article should go up, the import fee would drop in proportion.

"That," he added, "is the best way I know of to help the Swiss worker raise his standard of living."

WORLD NEEDS STRONG UNITED STATES

"If our program to help the world involves weakening America and destroying the standard of living of the American worker, that program is bad for the entire world, including the people getting the help, because, without a strong America, the world is headed straight for the dogs."

Mr. MALONE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a dispatch from the Minneapolis Star, of Minneapolis, Minn., dated October 3.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOW TARIFFS CALLED BLOW TO UNITED STATES LABOR

Senator GEORGE MALONE, Nevada Republican, called today for scrapping reciprocal trade agreements to prevent slave-labor products from competing with American workers' output.

He said in St. Paul the policy of cutting United States tariffs to help goods get into this country and expand our exports in return has been entirely one-sided—against American industry.

He spoke at the American Federation of Labor convention in St. Paul auditorium this afternoon.

"When we import cheap competitive goods, we import unemployment," MALONE said.

He used Swiss watches as an example of products, he said, were cutting into American employment.

He advocated a flexible import fee for the present tariff laws. If wages or other costs of producing the foreign article should increase, the import fee would be reduced in proportion.

This would force the foreign country to compete on similar wages and quality basis, he said, and "is the best way I know of to help the Swiss worker raise his standard of living."

MALONE said the tariff plan has hurt pottery makers, glass workers, bicycle workers, carpet workers, woolen workers, and people who produce silver, zinc, lead, mercury, tungsten, aluminum, paper, chemicals, and textiles.

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an article from the St. Paul (Minn.) Dispatch, dated October 3, 1949.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRADE PACTS THREAT TO UNITED STATES LABOR CITED

Labor was told by Senator MALONE (Republican, Nevada), today to be on guard against importation of unemployment.

"When we import cheap competitive goods, we import unemployment," MALONE said in an address prepared for delivery at an AFL meeting.

Tariff policies which permit unequal, unfair, and injurious treatment of United States products affect the pocketbook, the standard of living and the general welfare of every American worker, MALONE said. He added:

"We are now importing unemployment under the trade agreements program of the State Department. We are permitting underpaid and slave labor products from foreign nations to compete on an unfair basis with our higher paid workingmen for our own rich, domestic markets."

He referred to difficulties of the Waltham Watch Co. which he said was overwhelmed with imported watches made by underpaid Swiss labor.

"Already," he said, "the pottery makers, the glass workers, bicycle workers, carpet workers, woolen workers, workers who produce silver, zinc, lead, mercury, tungsten, aluminum, paper, chemicals, and textiles are feeling the pinch that has already squeezed the watchmakers."

He described his own proposal to substitute a flexible import fee for the present tariff system.

It would, he said, put enough tariff on Swiss watch parts to make them competitive with American parts of equal quality. The competition then, he said, would be on a basis of value. Under his system, if wages or other costs of producing the foreign article should go up the import fee would drop in proportion.

He added:

"That is the best way I know of to help the Swiss worker raise his standard of living.

"If our program to help the world involves weakening America and destroying the standard of living of the American worker, that program is bad for the entire world, including the people getting the help, because, without a strong America, the world is headed straight for the dogs."

Mr. MALONE. Mr. President, I have received a letter from Mr. Francis Church Lincoln, a distinguished consulting engineer, who many years ago made an admirable record as director of the Mackay School of Mines, of the University of Nevada.

He includes in his letter an editorial from the San Diego Union, dated September 22. I ask unanimous consent to have his letter and the enclosed editorial printed at this point in the RECORD.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

CHULA VISTA, CALIF., *September 26, 1949.*

Hon. GEORGE MALONE,
Senator from Nevada,
Senate Chamber,
Washington, D. C.

DEAR SENATOR MALONE: This letter will undoubtedly come as a surprise to you, but ever since I left Nevada, I have continued to take an interest in your career, and recent events lead me to take this time to express my encouragement and commendation of your work.

I believe that the stand you have taken on the reciprocal-trade program and the devaluation of the pound is fully justified; and am sorry that there are apparently so few in Washington who agree with you as to the adverse effects upon our economy which seem certain to ensue. It seemed to me that Time—with which I am usually in agreement—did not treat this matter with the seriousness it deserved in its issue of September 26, but seemed more interested in belittling your efforts than in giving the subject the attention it deserved. Our local paper did better in an editorial which I enclose.

Last year I retired from the South Dakota School of Mines and I am now conducting a consulting business from my new home in Chula Vista. Be sure to look me up if you are ever down this way, as I should greatly enjoy seeing you.

Sincerely yours,

F. C. LINCOLN.

[From the San Diego Union of September 22, 1949]

GOAT, UNCLE SAM?

It is not hard to understand the feelings of Senator MALONE, of Nevada, who has been an ardent champion of protection for our own industries, and agriculture, when he characterizes the action of the British Government in devaluing the pound sterling as a blow below the belt for the United States.

A particular grievance of the Nevada Senator is that during the very period of the British-Canadian-American negotiations on the British financial dilemma, the administration was pushing through Congress the bill renewing the reciprocal trade-agreements legislation. This legislation, he contends, and the International Trade Organization agreements, were predicated on the pound at its $4.03 valuation. The devaluation, he contends, pulls the rug from the United States.

While Senator MALONE may be guilty of some extravagance in his comments on the recent financial coup, it is only fair to quote his statements as representing the views of a large number of Americans:

"They (the British) will buy in bulk from Russia and her satellites and unload the products to advantage in markets which will be closed to the United States.

"They will also unload their products here and in South America, where with the reduced value of the pound American goods will be priced out of the market.

"The simple answer is that they will be able to export more and buy less in the dollar market.

"They will promote commerce with the communistic world at the expense of this country. Our State Department was sympathetic, if not in collusion. They knew all of this when they rammed the reciprocal-trade agreements through. * * *

"The whole transaction was dishonest, and I regard it as a form of piracy."

These are strong words. But they come from a legislator who has been diligent in trying to protect American industry and labor against foreign encroachments.

For the present the only thing we can do is to await the effects of the combination of British devaluation and our own unprecedented concessions to British trade. It may be set down for a certainty that we shall have less gain than loss from the arrangement.

Mr. MALONE. Mr. President, the cumulative evidence and debate is overwhelming that no price-support program can be successful, while the agricultural products of the lower wage living standard nations are allowed to come into this Nation without any equalizing tariff or import fee.

The embarrassing situation of witnessing the purchasing of Chinese dried eggs for consumption in the United States at lower than the support price—and storing our dried eggs—can occur in many price-supported products, and finally defeat any such program through the billions of dollars required to support it.

The flexible import fee principle—which I introduced in the United States Senate in 1948 and again in 1949—and later as a substitute for the proposed extension of the Trade Agreements Act would prevent such a condition.

The 1934 Trade Agreements Act as extended is responsible for the lowering of the tariffs and import fees to the point where there is no protection to the American standard of living—and which has rendered any agricultural products price-support program impractical—unless we adopt the flexible import fee principle of bringing such products in on our level of costs.

Mr. President, in closing let me say that there are only a very few agricultural products that such a flexible import fee, properly administered, would not fully protect without a price-support program.

Wheat and cotton are examples of products that would need price support in addition to the flexible import-fee principle—but the funds collected from other imports would be more than sufficient to pay for such support.

The time has long since arrived when the Senate of the United States must consider the people's ability to pay, before voting large appropriations for any purpose.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks an editorial entitled "How Near Are We to Free Trade?" published in the News-Sentinel of Fort Wayne, Ind., September 20, 1949.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOW NEAR ARE WE TO FREE TRADE?

Senator GEORGE W. MALONE, of Nevada, has offered a flexible import-fee bill as a substitute for the proposed 3-year extension of the 1934 Trade Agreements Act. In our opinion, it was to be preferred over the latter, which the Senate approved last Thursday.

It would have established a clear-cut American policy as a basis for cooperation among the nations of the world. As a result of the administration's "free-trade" program, under which we openly encourage a large increase in imports from the European countries and urge them to become self-sufficient and to manipulate the price of their currency for trade advantage, this Nation may be heading into a serious depression.

No small part of the more than 3,000,000 unemployed in this country are without work because of the actual and threatened imports of products from low-wage standard-of-living European and Asiatic countries.

Under Senator MALONE's flexible import-fee adjustment of rates, to have been set by the Tariff Commission, a definite market basis would be established in the United States for goods of foreign nations; yet those nations would remain the judges of their own living standards.

Senator MALONE thinks—and there is good reason to agree—that under his plan they would be encouraged to raise their wage-living standards because they would immediately get credit by a corresponding reduction in the tariff or import fee; and when their standards of living approximated our own, then the objective of free trade would be an almost automatic and immediate result. In the meantime, our own standard of living and wage level would be protected.

Our import fees are a floor under the American wage and living standards. What happens if, as the administration appears to want, we must meet the competition of some foreign products? We must reduce production costs, and that means cutting wages. The alternative is unemployment.

We are for the slogan "Competition is the life of trade"; but we're talking about fair competition. Why kid ourselves? American manufacturers just cannot meet the competition of products made at the hands of workers in other countries paid at rates so low they must live on a near-subsistence level.

Senator MALONE's idea is to reconstitute the Tariff Commission as the Foreign Trade Authority, which would bring in foreign items on a reasonable competitive level with our own products. The Authority would consider such factors as currency manipulation, foreign-exchange juggling, and Government bloc buying.

As foreign countries raised their wage-living standards the import fee which measures these differentials would decrease accordingly; when any country's living standard approximates our own, free and unhampered trade could, in Senator MALONE's opinion, be realized.

The criterion "fair and reasonable" competition under the flexible import fee would parallel the function of the Interstate Commerce Commission in fixing and periodically adjusting freight rates, as an example. It is high time for the removal of import fees from the realm of logrolling, lobbying, and international horse trading. If the Malone measure will do all this, it merits support.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The question is on agreeing to the amendment of the Senator from Minnesota [Mr. THYE].

Mr. RUSSELL. Mr. President, I dislike exceedingly to delay the Senate for even one moment at this hour. I realize that nothing which can be said here will affect the amendment which has been agreed to or will change the mind of any Senator as to the vote which has been cast. But I cannot permit the record to be closed in its present condition without saying a few words to correct what might have been a false impression created by some remarks. I am sure that was not intentional; but because of the present condition of the record, it is necessary for me to make this brief statement.

I yield to no man in my admiration for the distinguished junior Senator from New Mexico [Mr. ANDERSON]. He was one of the greatest Secretaries of Agriculture of all time. He knows more about the details of agriculture throughout the Nation than perhaps any other living American does. But I cannot agree with him on the views he has set forth about the bill. I regret that I cannot. The distinguished Senator from New Mexico in his statement left the impression that the adoption of the Young-Russell amendment by the Senate will increase the prices of some of the basic commodities. Mr. President, that simply is not a fact. The amendment retains some of the prices which the bill sponsored by the Senator from New Mexico would have taken away from the farmer; but the amendment does not increase the cost of any basic commodity by one dime.

This is not a bill which merely deals with loans, Mr. President; this is a comprehensive farm bill. It rewrites the entire parity formula. The Senator from New Mexico referred to the fact that this bill, as now amended, will increase the price of cotton by $17.50 a bale, and the price of wheat by some 35 cents a bushel. The truth of the matter is that this bill will reduce the price of cotton by nearly $10 a bale and will reduce the parity value of wheat by several cents a bushel.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. ANDERSON. If the Senator from Georgia is correct, then I made an incorrect statement to the Senate. I ask him to examine Senate bill 2522, as now amended, and see whether the amendment which the Senator from Georgia and the Senator from North Dakota [Mr. YOUNG] have succeeded in having added to the bill will not increase the price of cotton $17.50 a bale.

Mr. RUSSELL. How could that be? How is it possible?

Mr. ANDERSON. It is possible because the Senator from Georgia and the Senator from North Dakota have, by their amendment, added 3½ cents a pound to the price of cotton, or an addition of $17.50 a bale.

Mr. RUSSELL. How could the amendment do that?

Mr. ANDERSON. By raising the support price of cotton from a minimum of 72 percent to a mandatory 90 percent of the parity price.

Mr. RUSSELL. So the statements and insertions which have been made in regard to the parity values are in error. Is that what the Senator from New Mexico is saying?

Mr. ANDERSON. Yes; three different tables have been presented, and all of them are in error, so far as I know. One of them says, for example, what the support price of tobacco will be, either with quotas or without quotas, under my bill. My bill provides that if there are no quotas the support price for tobacco is zero. Yet the table has been circulated as if it were a correct one.

The amendment of the Senator from Georgia and the Senator from North Dakota, which as been added to the bill, will increase the price of cotton, the price of wheat, and the price of corn. There can be no controversy on that subject.

Mr. RUSSELL. How can it increase those prices when the amendment does not relate at all to the parity formula, but merely to the support price of the parity formula.

Mr. ANDERSON. With the high level we have in the supply of corn—131 percent, or some such figure as that; the Senator has the figure there, I believe——

Mr. RUSSELL. Oh, the Senator from New Mexico means that the amendment will increase the price over what the price would have been under his bill. Is that correct?

Mr. ANDERSON. That is correct.

Mr. RUSSELL. But not over what the present legislation would allow.

Mr. ANDERSON. No; I question that statement, because the present legislation, which is to become effective in January, is the Aiken bill.

Mr. RUSSELL. I mean the legislation which is in existence at the present time.

Mr. ANDERSON. Of course, the bill which is in existence at the present time terminates on January 1, 1950.

Mr. RUSSELL. I was referring to existing law, the law in effect today.

Mr. ANDERSON. On that basis, I agree with the Senator from Georgia.

Mr. RUSSELL. That is the point I am making, exactly: That if we do not intend to cut the prices the farmers receive today, this bill, as it stands at this very moment, will still mean—with the 90 percent of parity—a substantial reduction in what the farmer is receiving under the law which is in effect today; and unless we intend to commence an economic retreat with the farmer, by cutting the prices he receives for his products, the Senate was correct in adopting the amendment.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG. I wish to point out that the table the Senator holds in his hand was given to the Committee on Agriculture and Forestry by the Secretary of Agriculture, Mr. Brannan. I also wish to point out that the Anderson bill provides that for the first year of its operation the farmer shall automatically get 90 percent of parity when his crops are under acreage controls or quotas.

Mr. RUSSELL. I thank the Senator.

Mr. AIKEN and other Senators addressed the Chair.

Mr. RUSSELL. Mr. President, I shall yield first to the distinguished author of the Aiken bill, the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. The Senator has pointed out merely that the revised parity formula incorporated in the 1948 act and continued by the Anderson bill reduces somewhat the parity price of cotton. I should like to point out that, although it reduces somewhat the parity price of cotton lint——

Mr. RUSSELL. And wheat.

Mr. AIKEN. And wheat—it increases the price of cottonseed about 20 percent, which I believe offsets any reduction in the price of the lint.

Mr. RUSSELL. I am delighted to hear that.

Mr. AIKEN. The parity price on cottonseed would be in the neighborhood of from $65 to $67 a ton under the revised parity formula, whereas I think it is around $54 under the present parity.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. PEPPER. Mr. President, if I understand correctly, the amendment offered by the Senator from Georgia, which was adopted by the Senate a while ago, arrests the severity of the cut in basic farm products, which otherwise would have occurred, under the Aiken bill of 1948.

Mr. RUSSELL. It does not eliminate the reduction, because the bill will reduce the parity from what it is at the present time, and what it has been for some time, by the revision of the formula. But it does prevent adding to that reduction another reduction, which could amount over a period of time to 15 percent more, in what the farmer would have as a support price.

I wish, again, to say to the Senator from New Mexico that I hope I did not misquote him. The Senator was speaking about his bill, and I was talking about the law as it is. I tried to make that perfectly clear when I opened my remarks. Of course, if we are going on the assumption we are to use the date the Aiken bill took effect, the Senator from New Mexico is correct. The amendment would assure that the farmer would get much more under the amended bill than under the Aiken bill, but it would not increase his return over what he is receiving at the present time. As a matter of fact, he would take a reduction.

Mr. ANDERSON. I do not dispute that at all. I simply point out, as everyone recognizes, that the legislation terminates December 31, 1949, and the amendment deals with what is going to happen after December 31, 1949. That would be under either the Aiken bill or the pending bill or some other bill. The amount of increase in the case of cotton prices which I indicated would be the effect of this amendment to the bill is, I think, correct.

Mr. RUSSELL. Using the Senator's bill or the Aiken bill as a basis, that is correct. But the figure the Senator uses would increase the price of cotton by the figure, I think it was, of $17 a bale. But the Senator was referring to the fact that it was increased in his bill, rather than under the present law.

Mr. ANDERSON. That is correct.

Mr. RUSSELL. The same thing applies to corn.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HOLLAND. Is it not true that the point which the Senator has just made applies, though in a limited way, to wheat, corn, and cotton, but that exactly the opposite is true in the case of rice and both kinds of tobacco, both burley and flue-cured, in that the price which would be supported by his amendments would be considerably greater in both cases than the price under the present law?

Mr. RUSSELL. In the case of rice, there is a slight increase, and there is a minute increase in the price of tobacco. In fact, it is less than 2½ cents a pound. I am talking now about the arguments relative to increasing the living costs of the American people. I am not speaking about tobacco. Mr. President, I hope that is clarified. I did not make that statement for the benefit of the Senate; I made it for the benefit of the record, because I did not want to leave the impression that the vote of the Senate this afternoon had increased the living costs to the consuming public in America. As a matter of fact it amounts to a reduction to the consuming public, when considered in connection with the program which has been written into the bill. It not only reduces the cost to the consuming public; it reduces the amount of the income of the farmer. Despite the implication that he is getting wealthy out of what he is earning, he still is dragging along with his 8 or 9 percent of the national income, though he is a member of a group that constitutes almost 20 percent of the entire population of the United States.

Mr. President, I now wish to advert briefly to the statements of the distinguished Senator from Illinois. He twitted Members of the Senate who had talked about economy, and said the advocates of economy had voted for the pending bill. The so-called advocates of economy, those he has thus labeled, at

least, are merely trying to prevent an unwarranted reduction in the incomes of the farmers of the country. I would the Senator had made his economy speech some time earlier in the session. I should have welcomed it when the Senate had under consideration the European-aid program, and also when the arms-to-Europe program was being considered. I should have welcomed it when we increased the salaries of Federal employees, when I was trying to bring about some little reduction in them, and when the Senator voted for the higher salaries.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LUCAS. The Senator will not deny that cotton and peanuts are getting a pretty good deal under the amendment, will he?

Mr. RUSSELL. No, they are not getting so good a deal as wheat is getting under it.

Mr. LUCAS. I am not talking about wheat. I am talking about peanuts and cotton.

Mr. RUSSELL. Yes. I am not ashamed to say I think the cotton farmer is entitled to 25 cents a pound for the cotton he produces.

Mr. ANDERSON. Does the amendment give cotton close to 25 cents a pound, or does it go to 30?

Mr. RUSSELL. The Senator has disavowed these figures, so I have had to use those which were furnished by the Secretary of Agriculture. I shall accept the Senator's figures as being correct, but I wish to say I know the feeling that exists elsewhere in the country because the cotton farmers are permitted to share in the farm program. I say the cotton farmer is entitled to 30 cents a pound for his cotton. I would not be ashamed to vote for such a proposition here on the floor of the Senate. I know the feeling that exists against cotton, because it is largely produced in a section of the country that does not stand too high in some circles, but I say the statistics which have been prepared by the Bureau of Agricultural Economics over a long period of years show that it takes 1 hour to produce a pound of cotton. I am not ashamed to say I would favor 30 cents a pound, that being 30 cents an hour for work that is back-breaking beyond the realization of those who refer to the cotton farmer as if he were getting special consideration. No more difficult work is done by man than that which is done in the cotton fields. It is done by hand. The cotton farmer goes to his field to plant the crop. He must run around it twice with the plow. He must chop it out once or twice with the hoe, and then go into the field and break his back, picking it by hand. It is worth 30 cents a pound.

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. THYE. I feel sure that the Senator from Georgia is familiar with the sugar-beet operation, the care of the sugar-beet field and the harvesting of sugar beets.

Mr. RUSSELL. No, I do not know so much about that as does the Senator from Minnesota, but I may say that I have never sought to beat down a bill that was recommended by the sugar-beet growers. I have supported every bill they have ever caused to be introduced, though the farmers from other areas who produce sugar beets complained because they said the cotton farmer would get the equivalent of 30 cents a pound.

Mr. THYE. I want to say to the very able and distinguished junior Senator from Georgia, there is no feeling other than that of sympathy for any agricultural producer, whether he be a cotton producer or a sugar-beet producer, or whether he operates a dairy farm, or whatever his product may be. I personally would do my utmost to assure the producer of any agricultural commodity that he shall have parity with all other crops in the economy of the entire Nation, but I do not want to begin writing legislation that I can see is doomed in about 2 or 3 years from now. Senators, including myself, who are gray-haired and baldheaded can carry on, regardless of what happens in agriculture; but the lad who came out of the Army, who started out in the past 2 or 3 years buying farm machinery and equipment at inflated prices, and who assumed $3,000, $4,000, to $10,000 in the way of obligations—if we let him down, it will mean 2 or 3 years from now that that young man will be bankrupt and will be ruined. He has already given too much in the terms of years of sacrifice in the military service. I am thinking about that young man. I am not thinking about ourselves, those of us who have made our stake in the past 10 years in farm operations.

Mr. RUSSELL. I want to say I do not propose to let down the farmer who is a veteran, who returned from the wars, within 3 years, and I do not propose to cast a vote today that will fix it so he cannot pay for the farm machinery he has bought, or so that he cannot pay for the land he has bought. I shall not say to those 9,000 veterans in the State of Minnesota who have returned to their farms, if any of them have engaged in the production of an absolutely basic commodity, "You are here burdened with this debt for the land, you are here burdened with the debt for this expensive machinery. I will help you pay that debt. I shall cut your income 40 percent." That is what would happen if the Senate had passed the bill. I shall hang on as long as I can to see that he has a chance to pay his debt.

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. THYE. I would say to the able Senator that I do not believe, when we establish price controls to meet changes in economic conditions which may occur, it is not cutting the farmer's price. I dare say pork will be selling in Sioux City and St. Louis markets tomorrow, no matter what we may do this afternoon. The only time we need price supports is when we need them to act as a shock absorber if the price of a commodity happens to break. But the Senator from Georgia and I want to see the economy of the Nation remain at a point where we shall never use the mechanics of price support except in the event of an economic situation in the Nation which compels the floor to be there to receive the commodity when it slides back. In the harvesting season we want the mechanics of price support to be there to hold the market against a drastic drop. When the great combine which starts in the Panhandle of Texas and harvests millions of bushels of grain all across the Nation begins to operate, it is then that we need price supports to hold the market. But we do not want to hold the entire economy of the United States in that way.

Mr. RUSSELL. I do not claim to be an economist. The Senator from Minnesota is representing himself as an economist. I am speaking as one who has had a little experience with farm problems. I have never claimed to be an economist. I know the difference between wheat which sells for $1.50 a bushel and wheat which sells for $1.85 a bushel. I know the feeling of the farmer and the prosperity of a farm community when the cotton farmer receives 25 cents a pound for his cotton as compared with 18 cents a pound.

The Senator talks about having a cushion in time of stress. The 90 percent parity loan does not take effect unless there is acreage control in operation. It never applies unless there is some control program in force and effect. I submit that if we leave it to the sense of fair play of the American people, if the farmer is to surrender to a department or bureau in Washington which tells him how many acres of a commodity he can produce, the Government of the United States owes it to him to see that he at least gets a fair parity in the value of his product.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG. The Senator has spoken of the increased cost to consumers if the support level of beef and pork is increased.

Mr. RUSSELL. The Senator from Minnesota was talking about discrimination. This bill does a great deal more than juggle loan values in connection with these commodities. The Senator has a new parity figure which he has written. I am not complaining about it. I would not adopt a dog-in-the-manger attitude and try to strike down the whole bill by writing an amendment to it which would absolutely invalidate it. But the Senator and his committee have apparently written a figure indicating that under the present law 90 percent of parity on butterfat is 57 cents. This raises it to 65 cents. What does it do to milk, wholesale? Under the present law 90 percent is $3.51. Under the new bill it is $4.09.

We talk about the consumers of the country. Here is a bill which is increasing the price of butterfat, milk, hogs, chickens, beef cattle, and lambs, while on the basic commodities—wheat, cotton, and corn—the price is reduced. That makes it all the more fair that we should take care of the producers of the basic commodities, so that they shall not be required to take this three-way cut, namely, reduced parity value, reduction

in acreage, and reduction in the loan value——

Mr. THYE. Mr. President, will the Senator yield?

Mr RUSSELL. I yield.

Mr. THYE. It so happens that when we figured all the costs involved in the production of these various commodities and the weight at which they find themselves, the Senator from Minnesota had nothing to do with the yardstick that was developed in figuring the weight or the parity of those commodities; but I will say to the very able and distinguished Senator from Georgia—and I have the greatest admiration for him, and I wish I could argue as facilely as he does——

Mr. RUSSELL. I thank the Senator from Minnesota.

Mr. THYE. I will say to the Senator that the commodities to which the Senator referred have always been at the mercy of the Secretary of Agriculture, and the Secretary was bound by mandatory provisions in connection with the six basic commodities to spend all the money that Congress made available to him.

If there happened to be any money left, if there happened to be a little money in the section 32 fund or in the school-lunch fund, the Secretary might use a little of that money in the support of nonbasic agricultural commodities into which pork and certain other commodities happen to fall. The same thing is true of the citrus crop and the various nut crops. It was entirely in the discretion of the Secretary of Agriculture as to whether he would spend a penny in the support of those commodities, but peanuts, rice, tobacco, cotton, wheat, and corn were on the mandatory list.

Mr. RUSSELL. I am glad the Senator has named the two largest crops first.

Mr. THYE. They happen to be the ones which had a claim upon the fund at the outset.

Mr. RUSSELL. They are the commodities, with the exception of cotton, which have brought a return to the United States. When there has been money spent on the basic commodities it was advanced as loans. At the last hearing held by the Senate subcommittee on Agricultural Appropriations the Secretary of Agriculture testified that there had not been any loss on the basic commodities. Perhaps the Senator wants to stir up a little sectional feeling, but let him show where there has been any loss in dealing with those commodities.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. DOUGLAS. Is it not true that it was the war which came along and baled out the surplus which has accumulated?

Mr. RUSSELL. I think that is true.

Mr. DOUGLAS. If it had not been for the war there would have been large losses.

Mr. RUSSELL. I do not know. I hope and pray that we shall not have another war. But the fact that we had a reasonable supply of agricultural commodities was one of the best things that ever happened to the United States when the foul blow was struck at Pearl Harbor. We cannot win a war only with tanks and machine guns. We must have something for the soldiers to eat. Napoleon said that an army travels on its belly.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. ANDERSON. There have been losses on peanuts. I do not know when the Secretary testified, but there have been losses right along. Sometimes we have disposed of the product to the American Army at prices that pulled us out. Last year the cost of the peanut program was $10 an acre. If we had the same kind of a program for cotton, wheat, and corn, it would cost the country $2,000,000,000 a year.

Mr. RUSSELL. I should like to see the figures to which the Senator refers.

Mr. ANDERSON. I shall be very glad to get them.

Mr. RUSSELL. I should like to see the testimony of those who handled the program in the Department that established any such fact, because I never heard of it. The testimony before the committee last year, or the year before, was that they had made some $9,000,000 on the peanut program. They may have sold them to the Army; I do not know about that.

Mr. ANDERSON. I wish to say to the distinguished Senator, who, I recognize, is just as sincere as anybody could be, that the same story was told to me when I was in the Department of Agriculture, that there had been no loss on the peanut program. It was not until I went into the story that I found there had been losses on the peanut program, and very substantial losses.

Mr. RUSSELL. I shall not controvert the Senator's statement. If he will get the figures for the RECORD and vouch for them, I will accept them as accurate, because the Senator was Secretary of Agriculture; but I know the statement I have repeated has been made, and I know the Senator from New Mexico has heard it.

Mr. ANDERSON. I have.

Mr. DOUGLAS. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. DOUGLAS. I should like to ask the very able Senator from Georgia if he is not unintentionally giving the wrong impression when he implies that the flexible price formula results in a smaller income to the farmer. As I understand the formula, it provides that for every 2 percent increase in total production and total supply there is a fall of 1 percent in price, or in the parity ratio. That means that the farmers gain in total income by 1 percent for every 2 percent increase in their production. For if the increase in production is 2 percent, the price per unit falls only 1 percent, so the total income, or price times quantity, increases by 1 percent.

What the flexible price formula, as begun by the Senator from Vermont [Mr. AIKEN] in 1948 and continued by the Senator from New Mexico [Mr. ANDERSON] does, as I see it, is to divide the gains of increased production evenly between the producers and the consumers.

For every 2 percent increase in output, or supply, the consumers get a reduction in price per unit of 1 percent while the farmers get an increase in total income of 1 percent. When we impose a fixed parity of 90 percent, or the same price no matter how much is produced or supplied, that means that all the gains of increased production go to the farmers and no gains go to the consumers. I submit that this is not a proper policy, and I hope very much that some Senator will make a motion to recommit the bill.

I beg the Senator's pardon for making a speech on his time.

Mr. RUSSELL. I must confess I could not follow the first part of the Senator's argument, because I did not exactly understand it, but I shall not ask him to repeat it. I understand the latter part. The Senator's argument must be predicated on the fact that some Secretary of Agriculure will not do his duty, because 90 percent of parity does not apply except where commodities are under controls, and the Secretary of Agriculture, if he is going to place a commodity under controls, would certainly try to control it to such an extent that the farmer could not produce all he wanted and get the 90 percent of parity therefor.

Mr. DOUGLAS. But in order to get out of your difficulties you are therefore putting a ceiling on the production of agriculture, whereas the flexible price formula permits production to increase and allows prices to fall. It does not require production quotas to anywhere near the same degree.

Mr. RUSSELL. Mr. President, in my judgment nothing could bankrupt the farmer quicker than to reduce his prices proportionately as we let him produce his commodities. If we are going to reduce the prices he is to receive and then to increase his production, the farmer, of course, will get to the point where he will be producing at a loss, and the more he produces the faster he will go broke.

Mr. DOUGLAS. That may be true in an uncontrolled market, but the flexible price formula simply says that price per unit shall fall by only 1 percent for each increase of 2 percent in production or supply. The price per unit does not fall more rapidly, or even as rapidly as, the increase in output. It falls only half as fast.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I merely wish to call attention to the difference. The Senator keeps saying production. We want the word "supply" used. There is a great deal of difference, if it is only properly explained.

Mr. LUCAS. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. LUCAS. I move that the Senate take a recess for 1 hour.

Mr. RUSSELL. Mr. President, I was about to conclude.

Mr. LUCAS. I withdraw the motion. I thought the Senator had concluded.

Mr. ANDERSON. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from New Mexico.

Mr. ANDERSON. I wish to put into the RECORD, from the report of the financial condition of the Commodity Credit Corporation as of June 30, 1949, the statement that the loss on peanuts for that fiscal year was $23,784,910.31. I wish to say to the Senator from Georgia that I recognize that he has had the same sort of information I have received, and there had not been any great loss in peanuts up until the time stated here.

Mr. RUSSELL. Prior to 1949.

Mr. ANDERSON. That is correct.

Mr. RUSSELL. The figures I had must have been for the period prior to that time.

I recognize that it avails nothing to debate the issue before the Senate, as has been disclosed by the vote. I hope the Senate will not defeat the bill because of this amendment. I think it would be a great mistake. Senators may think the idea of reducing production and reducing parity values and reducing their loan value, as is provided in the Aiken bill, meets with the approval of the farmers of the Nation. The Senator from Illinois says it meets with the approval of the farmers of Illinois. Of course, I cannot speak for them, but I venture the assertion that if there were submitted to a referendum or plebiscite throughout the Farm Belt the question whether the farmers approved of a program which cut down the parity value of their commodities, cut down the production of their commodities, and reduced the loan value of their crops, few would approve except the aristocrats of agriculture, the top 5 percent, who have the best lands and best equipment, and can profit by a program of reduced loans, which puts the small farmer out of business. I do not believe anyone besides the aristocrats would support it.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Is not the flexible parity based upon the concept that where there is a shortage of supply there is the highest percentage of parity, and where there is an abundance of supply, there is a low percentage of parity?

Mr. RUSSELL. I made my lengthy speech on that subject when the Aiken bill was pending, and I pointed out how it failed the farmer when he needed it most. When his prices were being depressed, and he was having surpluses, the program failed him because it allowed him less for what he produced.

Mr. HUMPHREY. Is it not the philosophy of the flexible parity program to control production by the law of supply and demand?

Mr. RUSSELL. I assume it follows the law of supply and demand.

Mr. HUMPHREY. If that be the case, that there is a control of production through the flexible parity, or at least if that is the theory of it, which I doubt from some personal observation, is it not true that instead of the 90-percent parity which was advanced by the distinguished Senator from Georgia, a more accurate and more controllable means of production is available under acreage allotment and quotas?

Mr. RUSSELL. Unquestionably. However, it would bankrupt the farmer by requiring him to produce a great deal of a commodity and sell it below the cost of production.

Mr. HUMPHREY. I should like to ask the Senator whether in his analysis of the Anderson bill, mandatory support for commodities went further than the basic commodities including butterfat and milk, where the Secretary of Agriculture must apply price supports on the basic commodities.

Mr. RUSSELL. I think that was correct.

Mr. HUMPHREY. I thank the Senator.

Mr. RUSSELL. I refer the Senator from Minnesota to the Senator from New Mexico, the author of the bill. Frankly, I have not studied it in all its details as closely as I should have. My chief concern was that we did not drive down agricultural prices so rapidly as to break the integrity of the economy of the farmers.

Mr. HUMPHREY. Has not the Congress seen fit this last year, since the third day of January, to bolster up other segments of the economy?

Mr. RUSSELL. The Senator was not here this afternoon when I referred to the fact that we voted to increase the income of every group in the Nation in our drive toward a $300,000,000,000 income. It would be impossible, however, to achieve that goal if we started a retreat in the case of the farmer, because all the depressions in this country have originally started with the reduction in farm income.

Mr. HUMPHREY. Will the Senator from Georgia permit me to make an observation, in view of what the distinguished majority leader stated that those of us who voted for the 90-percent parity are literally scuttling the financial solvency of this country. Yet the 90-percent parity will do much to protect the economy of the United States. It puts a reasonable floor under agricultural prices. Mr. President, I lived in South Dakota in the depression days when the law of supply and demand was really operating. The law was the sheriff, and he came down on the poor farmer. There was demand, all right, but the people did not have money to satisfy their demand. That argument with relation to the law of supply and demand does not go over very strong with the junior Senator from Minnesota. The law of supply and demand has not successfully regulated agricultural production. Low farm prices have not in the past discouraged surpluses; in fact, low prices encourage surpluses. Flexible parity sounds good in theory, but the record reveals no positive results in controlling surpluses.

I charge that the flexible parity formula may well be more expensive to the Treasury than the 90-percent parity. I say this because flexible parity relies on control over surpluses by the so-called forces of supply and demand. The 90-percent parity support has the machinery of acreage allotments and quotas to control surpluses. This not only protects the farmer in his price, but may well protect the Treasury through placing a check on undue surpluses.

I make this observation: The solvency of our country does not rest in the Treasury of the United States. It rests in the farmers and the workers, rather than in the United States Treasury.

Mr. President, the amendment I voted for this afternoon is an amendment which, in effect, says we are not relying upon the orthodox economic law of supply and demand. Reliance upon such orthodox economic theory has brought distress to the American farmer in the past. What we have done this afternoon is to say to the farmer, "We want you to have an adequate income, but if the Government is going to put a floor under your income it is not going to rely upon the uncertainties of automatic operation of the law of supply and demand. We are going to rely on price supports."

Mr. RUSSELL. And price supports.

Mr. HUMPHREY. Yes; and price supports, 90 percent of parity.

The junior Senator from Minnesota had an amendment which was presented in his behalf by the Senator from Montana [Mr. MURRAY], dealing with what my colleague, the senior Senator from Minnesota, has presented—an amendment relating to eggs, chickens, turkeys, and hogs. I urge support of that amendment. I shall support it, and I will tell the Senate why. I shall support it by reason of the very argument that my colleague has so ably presented, because though we have mandatory price supports for many basic commodities, it appears to me we ought not to leave any discretion in reference to some of these most vital commodities which affect great sections of American agriculture.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ANDERSON. Will the Senator please explain why he favors a provision relating to pork and not to beef?

Mr. HUMPHREY. I am willing to include beef.

Mr. ANDERSON. Very well. If the Senator favors a provision respecting pork and beef, how about lambs?

Mr. HUMPHREY. All I want to say to the distinguished Senator from New Mexico is that these are vital agricultural commodities. I want a flexible 75 to 90 percent parity on them, unless it is desired to go into full-production quotas, and if we want to go into such a program we ought to have the Brannan plan which, by the way, the junior Senator from Minnesota favors, but on which he cannot get a chance to vote.

Mr. ANDERSON. Mr. President, I move that Senate bill 2522 be recommitted to the Committee on Agriculture and Forestry.

RECESS

Mr. LUCAS. Mr. President, before the motion is voted on, I ask unanimous consent that the Senate take a recess—it is now a quarter after seven—to 8:30 p. m.

Mr. ROBERTSON. Mr. President, reserving the right to object, as I understood, the Senator from New Mexico

made a motion to recommit the bill. Is that correct?

Mr. ANDERSON. Yes.

Mr. ROBERTSON. Frankly, I cannot see any reason why we should not vote on the motion. With all due respect to our distinguished majority leader, I cannot see how a recess of an hour is going to illuminate our understanding on that issue. I hope the majority leader will reconsider, and let us vote now on the motion made by the Senator from New Mexico, and take a recess afterward.

The VICE PRESIDENT. It is not necessary to ask unanimous consent for a recess. A motion can be made to take a recess.

Mr. ROBERTSON. A motion to recess can be made, but I simply offer that as a friendly suggestion. I do not see how a recess is going to put us in any better shape to know what we are going to do respecting the motion to recommit.

Mr. ANDERSON. I think some Senators are under the impression that a vote would not be taken until after we had a recess. I should like to keep faith with Senators who have such an understanding.

Mr. ROBERTSON. Very well. I have no objection.

Mr. SALTONSTALL. Mr. President, in the interest of clarity of procedure, I ask the Senator from Illinois if it is his intention to consider the Minton nomination tonight?

Mr. LUCAS. It is. It is my purpose to ask the Senate to consider the Minton nomination after we have concluded action on the farm bill. The nomination is an extremely important one.

Mr. SALTONSTALL. I thank the Senator. That is all I wanted to know.

The VICE PRESIDENT. Is there objection to the unanimous consent request of the Senator from Illinois that the Senate take a recess until 8:30 o'clock tonight?

There being no objection, the Senate (at 7 o'clock and 15 minutes p. m.) took a recess until 8:30 p. m.

EVENING SESSION

On the expiration of the recess, the Senate reassembled, and was called to order by the Presiding Officer (Mr. ROBERTSON in the chair).

Mr. STENNIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Malone
Anderson	Hendrickson	Martin
Baldwin	Hickenlooper	Maybank
Bridges	Hill	Millikin
Butler	Holland	Morse
Byrd	Humphrey	Mundt
Cain	Hunt	Murray
Capehart	Ives	Myers
Chapman	Johnson, Colo.	Neely
Connally	Johnson, Tex.	O'Mahoney
Cordon	Johnston, S. C.	Pepper
Donnell	Kefauver	Robertson
Douglas	Kem	Saltonstall
Downey	Kerr	Schoeppel
Eastland	Kilgore	Smith, Maine
Ecton	Langer	Stennis
Ferguson	Long	Taylor
Flanders	Lucas	Thomas, Okla.
Fulbright	McCarthy	Thye
George	McClellan	Watkins
Gillette	McFarland	Wiley
Graham	McKellar	Williams
Green	McMahon	Young
Gurney	Magnuson	

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the motion of the Senator from New Mexico [Mr. ANDERSON] to recommit Senate bill 2522.

Mr. MORSE. Mr. President, I ask for the yeas and nays.

Mr. LUCAS. Mr. President, this is a very important question. I think perhaps the Senate should not vote on this question until tomorrow. A number of Senators are away. In view of the importance of the question, I believe every Senator who possibly can be present to participate in the vote should have an opportunity to be in attendance.

There is a nomination on the Executive Calendar which is also very important. It may take some time to dispose of it. It is the nomination of Hon. Sherman Minton to be Associate Justice of the Supreme Court. I have given notice that the Senate would consider the nomination before we finished tonight. It is now 20 minutes to 9. I believe the best interests of farm legislation will be served by forgetting the farm bill until tomorrow and proceeding to the consideration of the Executive Calendar. I ask unanimous consent——

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CAPEHART. Will it be possible to get unanimous consent to vote at a certain hour tomorrow?

Mr. LUCAS. I should be delighted to do that. Of course, if the motion to recommit should prevail, probably some other parliamentary moves might be made. I should be glad to enter into any reasonable agreement.

Mr. CAPEHART. Will the majority leader consider 5 o'clock as the hour for voting on all amendments?

Mr. LUCAS. If the motion to recommit prevails, that will end the question for the moment.

Mr. CAPEHART. Can we get unanimous consent to vote on the motion to recommit at 2 o'clock?

Mr. LUCAS. I am not sure I want to enter into such an agreement. There is another motion that can be made, namely, a motion to reconsider the vote recently taken, which is probably the best parliamentary move to be made. I hope we may more or less suspend debate on the farm bill until tomorrow at 12 o'clock, and then, upon convening, take up the motion of the Senator from New Mexico to recommit, or, if the Senator should desire to withdraw the motion, to take up the motion to reconsider the vote by which the Young-Russell amendment was adopted.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. Have we not already reconsidered it once?

Mr. LUCAS. We reconsidered it under a different premise from that on which we would reconsider it now. So I am informed. I took the matter up with the Parliamentarian.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. YOUNG. Reserving the right to object, I believe if we are to get a farm bill at this session we must act very soon. I can see no logic in voting to recommit the bill. I think those who would favor such action would be voting simply to kill the bill entirely and to put into effect the Aiken law.

Mr. LUCAS. I do not agree with the Senator from North Dakota. The bill can be reported within 48 hours after it is recommitted, assuming the Senate will vote to recommit it.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. YOUNG. I do not know what it would accomplish to recommit the bill, unless the 90-percent amendment were eliminated, which is the purpose of the motion, and if that were done we would have the whole fight over again on the Senate floor.

Mr. LUCAS. We would have the fight all over again, but I am certain Senators are a little better informed as to what is involved in the bill now than they were when they voted 2 hours ago.

Mr. YOUNG. I think if Senators would inform themselves a little further, they would be more strongly for the 90-percent amendment than before.

Mr. LUCAS. I have great affection for my friend from North Dakota, but I must violently disagree with his conclusion.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to my friend from North Dakota.

Mr. YOUNG. How does the Senator expect to overcome the opposition of the House, when every conferee on the part of the House is for 90-percent support?

Mr. ANDERSON rose.

Mr. LUCAS. The Senator and I realize why the Gore bill was passed. Very few of the Representatives who voted for the Gore bill really wanted it. They voted for it for the sole purpose of killing the Brannon plan.

I do not anticipate too much trouble in conference on agreeing on a farm bill, but I do not want to go to conference on the Gore bill with a 90-percent parity on everything, and a Senate bill with 90-percent parity on all basic commodities, and a great many other guarantees, from 75 to 90, that may be written into the bill through amendments. In that event we should probably have a farm bill which in my opinion would not be in the best interests of either the farmers, the consumers, or the country as a whole.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from New Mexico.

Mr. ANDERSON. Does the Senator know any conferee on the part of the House who was obligated to support a 90-percent bill? It seems to me the Representative from North Carolina, Mr. COOLEY, has advocated the Brannan bill. Mr. PACE had advocated the Brannan bill. Mr. POAGE had advocated the Brannan bill. They certainly were not tied to a 90-percent bill. There is a possibility that if something other than a 90-percent bill were to go to conference, we could remedy the situation in conference.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. YOUNG. I think the statement made by the distinguished Senator from New Mexico is absolutely correct. The House conferees will want 90-percent parity on basic commodities. That is more than the figure stated in the amendment, though not very much. It is more rigid because there would be 90-percent parity all the time.

Mr. LUCAS. I know the Senator from North Dakota is for 100-percent parity. He has expressed himself in committee, off the Senate floor, and on the Senate floor. I know he wants 100 percent; 90 percent is not sufficient for the Senator from North Dakota. I am surprised he has not offered an amendment to make it 100 percent. I am really surprised that he agreed with the Senator from Georgia on 90 percent because the Senator from North Dakota has continually talked about 100-percent parity.

Mr. YOUNG. Mr. President, will the Senator yield that I may answer his observation?

Mr. LUCAS. I yield.

Mr. YOUNG. I wish the Senator would inform the Farmers' Union in my State that I favor 100-percent parity. They are still calling me a 60-percenter.

Mr. LUCAS. I do not care about 60-percenters or 5-percenters. [Laughter.] But the Senator from North Dakota is a 100-percenter, from what I have heard him say in committee meetings, and from the expressions he has made from day to day.

Mr. ECTON rose.

The VICE PRESIDENT. The question is——

Mr. LUCAS. Mr. President, if I may, I yield to the Senator from Montana.

The VICE PRESIDENT. The Chair was going to put the question on agreeing to the unanimous-consent request of the Senator that the bill go over until tomorrow, and that the Senate take up the consideration of the Executive Calendar.

Mr. LUCAS. In the meantime, I yield to the Senator from Montana.

Mr. ECTON. I should like to ask the distinguished majority leader one or two questions.

Mr. LUCAS. I shall be glad to answer them, if I can.

Mr. ECTON. Before I proceed, Mr. President, I should merely like to say I appreciate, and the other Senators who voted with me this afternoon appreciate, the discernment and knowledge and judgment of the distinguished Vice President when he broke the tie by voting "yea" on the amendment.

Mr. LUCAS. I am very happy to know that. It is the first time the Senator from Montana has ever said any good thing about a Democrat in all the time he has been here. [Laughter.] It is wonderful.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator for another question, not for a speech.

Mr. ECTON. I may say I have paid the distinguished Vice President compliments on various other occasions.

Mr. LUCAS. Then it must have been spoken to the wife of the Senator from Montana, and to no one else. No one has ever heard of it before.

Mr. ECTON. I should like to ask the majority leader one or two questions.

Mr. LUCAS. I am ready to listen. I am in a mood to listen.

Mr. ECTON. Is it not true that the amendment adopted this afternoon, commonly known as the Young-Russell amendment, applies to basic commodities only, and then only when they are under a quota system?

Mr. LUCAS. The Senator is of course correct. There is no doubt about that.

Mr. ECTON. That is the way I understand it, also.

My next question is this——

Mr. LUCAS. Did I satisfactorily answer the Senator's question?

Mr. ECTON. Yes; I wanted to acknowledge it. That is the way I understand it.

Mr. LUCAS. Then we are agreed upon that. We are getting along wonderfully well.

Mr. WILEY. There is real harmony existing.

Mr. LUCAS. Yes; we are very much in harmony.

I am willing to listen to the Senator's next question.

Mr. ECTON. I could pay a compliment to the distinguished majority leader.

Mr. LUCAS. I should be glad to have it, because I get so few of them.

Mr. ECTON. This is my question——

Mr. LUCAS. I thought the Senator was going to pay a compliment to the majority leader. I yield for a question.

Mr. ECTON. When a cotton producer, a tobacco producer, a corn producer, a wheat producer, or a peanut producer is operating under the quota system and is required, under the law, to make a reduction in acreage, bushelage, or poundage, or whatever unit may be designated, when he is required to reduce his production 10, 15, 20, 30, or maybe 50 percent——

Mr. LUCAS. That last figure is a little high.

Mr. ECTON. Why is it not fair and just to guarantee a support of 90 percent of parity on his production when he is asked to make such a reduction?

Mr. LUCAS. I do not want to go into that.

Mr. ECTON. The Senator has to go into it.

Mr. LUCAS. I have been into it all day long, and I have been into it before the Senator from Montana ever reached the Senate of the United States.

Mr. ECTON. The junior Senator from Montana knows farm programs from "A to Izzard." I have been an actual producer, so that I know how farmers operate.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. AIKEN. I should like to correct the impression of the Senator from Montana. The Russell-Young amendment does not provide 90-percent support only when farmers are required to reduce production. It makes 90-percent support mandatory whenever acreage allotments are proclaimed. The law requires the Secretary to proclaim acreage allotments every year. In other words, he has to proclaim acreage allotments when it may mean an increase in acreage or it may mean a decrease. He is required to proclaim them every year. Therefore the effect of the Russell-Young amendment is to make 90 percent of parity permanently mandatory.

Mr. LUCAS. To guarantee it, regardless.

Mr. AIKEN. Yes. The amendment does not apply only when quotas are in effect; it applies all the time.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. ECTON. If a farmer reduces his production either voluntarily or under a mandatory provision, why should he not receive 90 percent of parity on his remaining production?

Mr. LUCAS. Mr. President, I do not care to debate the question any longer, but if the Senator from Montana desires to ask one more question I shall be glad to try to answer it.

In all seriousness, it seems to me that this question is of tremendous importance. I should like to ask unanimous consent that the motion made by the distinguished Senator from New Mexico be considered at 12 o'clock tomorrow and that in the meantime the Senate proceed to the consideration of the Executive Calendar and take up the nomination of Judge Minton to be Associate Justice of the Supreme Court of the United States.

The VICE PRESIDENT. Is there objection?

Mr. YOUNG. Mr. President, reserving the right to object, I should like to clear up a little more of the misinformation which seems to exist. I think the sweetest deal——

Mr. LUCAS. The sweetest deal?

Mr. YOUNG. The best deal—any farmer gets under this program is that given to the dairy industry. For the first time it will get a mandatory support of 75 to 90 percent of parity. Anyone in that situation who would advocate recommittal, it seems to me, would be voting to cut his own throat.

The VICE PRESIDENT. Is there objection to the request that the Senate proceed to the consideration of executive business and that the Senate vote on the motion to recommit at 12 o'clock tomorrow?

Mr. SALTONSTALL. Mr. President, reserving the right to object, I did not understand that was the request.

The VICE PRESIDENT. The Chair did so understand.

Mr. SALTONSTALL. I understood that it was to be taken up at 12 o'clock tomorrow.

The VICE PRESIDENT. That is not the way in which it was phrased.

Mr. LUCAS. Mr. President, I said there was a motion to recommit and that there were probably other motions that could be made. What I intended to say, if I did not say it—and I apologize to the distinguished Vice President for my lack of clarity—was simply to suggest that the motion to recommit be further considered tomorrow.

Mr. ANDERSON. Mr. President, reserving the right to object, I think we may as well vote on it at this time. If we are going to recommit the bill, fine.

If we are not, I think we might as well know it and proceed to some other business. I think it is time to vote on a motion to reconsider, with due deference to the distinguished majority leader, for whom I have the greatest affection.

Mr. LUCAS. I do not know that any Senator wanted to make a motion to reconsider.

The VICE PRESIDENT. The motion pending is the motion to recommit the bill. There is no other motion pending.

Mr. ANDERSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. YOUNG. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hayden	Malone
Anderson	Hendrickson	Martin
Baldwin	Hickenlooper	Maybank
Bridges	Hill	Millikin
Butler	Holland	Morse
Byrd	Humphrey	Mundt
Cain	Hunt	Murray
Capehart	Ives	Myers
Chapman	Johnson, Colo.	Neely
Connally	Johnson, Tex.	O'Mahoney
Cordon	Johnston, S. C.	Pepper
Donnell	Kefauver	Robertson
Douglas	Kem	Saltonstall
Downey	Kerr	Schoeppel
Eastland	Kilgore	Smith, Maine
Ecton	Langer	Stennis
Ferguson	Long	Taylor
Flanders	Lucas	Thomas, Okla.
Fulbright	McCarthy	Thye
George	McClellan	Watkins
Gillette	McFarland	Wiley
Graham	McKellar	Williams
Green	McMahon	Young
Gurney	Magnuson	

The VICE PRESIDENT. A quorum is present.

Mr. ANDERSON. Mr. President, I ask unanimous consent to modify my motion, so that the motion will be to recommit the bill to the Committee on Agriculture and Forestry with instructions to report back to the Senate within 48 hours.

The VICE PRESIDENT. Is there objection to the request of the Senator from New Mexico for leave to modify his motion? The Chair hears none, and the question now is on the motion as modified.

Mr. AIKEN. Mr. President, that does not mean that action will be taken in 48 hours. It merely means that the Committee on Agriculture and Forestry has to make some kind of a report in 48 hours.

Mr. ANDERSON. That is correct.

The VICE PRESIDENT. May the Chair inquire whether that means 48 hours from now, or from the time when the bill is recommitted, if it shall be recommitted?

Mr. ANDERSON. From the time the bill is recommitted, if it shall be.

Mr. SALTONSTALL. Does that mean that the bill will have to have its place newly set on the calendar? It simply comes at the foot of the calendar?

Mr. ANDERSON. That is correct.

Mr. MUNDT. Mr. President, am I to understand that by reporting back the Senator means that the Committee on Agriculture and Forestry is to report back another bill, or simply to bring back a report to the Senate?

Mr. ANDERSON. To bring back a report to the Senate.

Mr. MUNDT. It does not mean the committee is going to bring back a bill?

Mr. ANDERSON. To bring back a bill; yes.

The VICE PRESIDENT. If the Chair may make a suggestion without offending anyone, the ordinary motion is to recommit a given bill with instructions to report that bill back to the Senate within a given length of time.

Mr. ANDERSON. Thanking the Vice President, I so modify my motion, so that it will be a motion to recommit Senate bill 2522 with instructions to report that bill back within 48 hours.

Mr. AIKEN. That does not mean we will have to report it back without changing it, does it?

The VICE PRESIDENT. Of course not; report it back by number.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. The report the committee would bring in would have priority before any other bill that might be before the Senate, would it not?

The VICE PRESIDENT. No; it comes back as if it had never been previously reported. It goes to the calendar.

Mr. MAYBANK. In other words, if the Senate recommits the bill, it goes to the foot of the calendar, and other bills will have so-called priority?

The VICE PRESIDENT. Any Senator can move at any time to bring up any bill that is on the calendar. That will apply to this bill, and to any other bill.

Mr. LUCAS. Mr. President, I wish to disabuse the mind of the distinguished Senator from South Carolina if he thinks that we are recommitting a bill which will not be taken up, because when this bill comes back it will be given high priority. When it comes back it will be taken up immediately.

Mr. MAYBANK. I think it should be given the highest priorty.

Mr. LUCAS. I do not know whether it is high or highest.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLELLAN. I should like to have the motion to recommit restated.

The VICE PRESIDENT. The motion is that pending bill by number, the bill be recommitted to the Committee on Agriculture and Forestry, with instructions to report it back to the Senate within 48 hours.

Mr. McCLELLAN. Report "it" back, or report "a bill" back?

The VICE PRESIDENT. Report it back by number. The committee may change everything in the bill, but it will still be that bill.

Mr. LUCAS. It merely identifies the number of the bill.

The VICE PRESIDENT. That is correct. Is there objection to the modification of the motion? The Chair hears none. The question now is on the motion to recommit.

Mr. YOUNG. Mr. President, obviously the reason for the motion to recommit is to eliminate the 90 percent of a mandatory support price amendment. It is in effect a motion to bring back a bill with lower support levels, which I believe is contrary to the mandate of the last elections. But in all probability it would mean that in the end the Aiken Act would be in effect for next year. We will have enough trouble now trying to get anything through on long range price support legislation before the end of this session. The House conferees definitely are for 90 percent supports and I am sure cannot be persuaded to take lower supports which are more sought.

Mr. ANDERSON. The motion is not designed to do any such thing. The motion is designed to write legislation in the committee, and not on the floor of the Senate. It is on that basis, I think, the bill should be recommitted.

Mr. MAYBANK. I merely wish to make certain that I understand the record clearly. If the Senate votes to recommit the bill, it will be brought back in one form or another within 48 hours, but the bill no longer will have any precedence in the Senate. It goes on the calendar with all the other bills which are now on the calendar, including many other bills, the displaced-persons bill and others. Am I incorrect?

The VICE PRESIDENT. Yes and no. [Laughter.]

Mr. MAYBANK. Mr. President——

The VICE PRESIDENT. If the Senator will permit the Chair to state the parliamentary situation, when a bill is recommitted to a committee, it goes back as if it had not been reported. It is reported ab initio to the Senate, takes its place on the calendar, and any Senator can move immediately to proceed to consider it; but it has no priority merely because it has once been before the Senate.

Mr. MAYBANK. Any Senator can proceed to move that another bill be taken up, and if a majority of the Senate vote for the motion, the agricultural bill would be displaced; would it not?

The VICE PRESIDENT. No; any Senator can move to take up any bill, but if a motion is made, for instance, to take up this agricultural bill when it is reported back, a motion to take up some other bill will not be in order. The motion to take up the agricultural bill would have to be voted down in order that a Senator might move to take up another bill.

Mr. MAYBANK. I thank the Chair.

Mr. LUCAS. Mr. President, I can assure the Senator from South Carolina and other Senators that the moment this bill comes out of the Committee on Agriculture and Forestry, regardless of what form it may be in, the Senate will proceed to consider it, irrespective of whether it has priority over other bills or has not priority over other bills. Furthermore, Mr. President, we are going to get a farm bill of some kind passed at this session, regardless of how long we may have to stay here.

The VICE PRESIDENT. The Chair should modify his answer to the Senator

from South Carolina by stating that under the rule a bill must lie over 1 day if there is objection to taking it up on the day it is reported by unanimous consent.

Mr. MAYBANK. I thank the distinguished Vice President, because as I understand, under the motion to recommit the bill is to be reported back within 48 hours, and I understand the majority leader says it will be given the highest priority, for which all of us from the farm States are grateful. But I also understand that one objection can delay the bill further for another day, which would make in all 72 hours. Therefore it might be some time before we get to this bill again. I merely wanted the record to show that.

The VICE PRESIDENT. The question is on agreeing to the motion to recommit the bill. The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAHAM (when his name was called). I have a pair with the junior Senator from Georgia [Mr. RUSSELL], who is unavoidably detained. If he were present he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Maryland [Mr. O'CONOR] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senator from Delaware [Mr. FREAR], the Senator from North Carolina [Mr. HOEY], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

The Senator from Idaho [Mr. MILLER], the Senator from Utah [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are necessarily absent.

The Senator from Alabama [Mr. SPARKMAN] is paired on this vote with the Senator from New York [Mr. DULLES]. If present and voting, the Senator from Alabama would vote "nay," and the Senator from New York would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Massachusetts [Mr. LODGE], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent. If present and voting, the Senator from Ohio and the Senator from New Hampshire would each vote "yea."

The Senator from Ohio [Mr. BRICKER] and the Senator from California [Mr. KNOWLAND] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate. If present and voting, the Senator from New Jersey would vote "yea."

The Senator from Indiana [Mr. JENNER] is absent by leave of the Senate because of illness in his family.

The Senator from New York [Mr. DULLES], who is absent by leave of the Senate, is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from New York would vote "yea," and the Senator from Alabama would vote "nay."

The result was announced—yeas 41, nays 29, as follows:

YEAS—41

Aiken	Green	Martin
Anderson	Hendrickson	Millikin
Baldwin	Hickenlooper	Morse
Bridges	Holland	Myers
Butler	Hunt	O'Mahoney
Byrd	Ives	Robertson
Cain	Johnson, Colo.	Saltonstall
Capehart	Kem	Schoeppel
Cordon	Kilgore	Smith, Maine
Donnell	Lucas	Thye
Douglas	McCarthy	Watkins
Eastland	McMahon	Wiley
Ferguson	Magnuson	Williams
Flanders	Malone	

NAYS—29

Chapman	Humphrey	Maybank
Connally	Johnson, Tex.	Mundt
Downey	Johnston, S. C.	Murray
Ecton	Kefauver	Neely
Fulbright	Kerr	Pepper
George	Langer	Stennis
Gillette	Long	Taylor
Gurney	McClellan	Thomas, Okla.
Hayden	McFarland	Young
Hill	McKellar	

NOT VOTING—26

Brewster	Knowland	Sparkman
Bricker	Leahy	Taft
Chavez	Lodge	Thomas, Utah
Dulles	McCarran	Tobey
Ellender	Miller	Tydings
Frear	O'Conor	Vandenberg
Graham	Reed	Wherry
Hoey	Russell	Withers
Jenner	Smith, N. J.	

So Mr. ANDERSON'S motion to recommit Senate bill 2522 with instructions to report it back within 48 hours was agreed to.

Mr. BUTLER. Mr. President, in view of the fact that the farm bill is expected to be reported back to the Senate within 48 hours, I ask unanimous consent to have printed in the RECORD statements made relative to farm legislation, particularly relating to several items contained in the farm bill, made by several leaders in the cooperative marketing movement, including the declaration of national marketing policy made at Chicago, on September 29 and 30, by representatives of farm cooperative marketing associations in the fields of cotton, grain, tobacco, and wool.

There being no objection, the statements and declaration were ordered to be printed in the RECORD, as follows:

STATEMENT BY AKSEL W. NIELSEN, GENERAL MANAGER, WESTCENTRAL COOPERATIVE GRAIN CO., OMAHA, NEBR., BEFORE THE REPUBLICAN NATIONAL FARM CONFERENCE, SIOUX CITY, IOWA, SEPTEMBER 23–24, 1949

Mr. Chairman and members of the committee, I am Aksel W. Nielsen, general manager of the Westcentral Cooperative Grain Co., a cooperative grain marketing association with headquarters at Omaha, Nebr. I am also secretary-treasurer of the National Federation of Grain Cooperatives, made up of similar organizations in all major grain-producing areas.

I appreciate this opportunity to express my views respecting national agricultural policy, especially as it relates to the marketing of grain. To the best of my ability, I will attempt to express the views of other grain cooperative organizations also.

If the Commodity Credit Corporation proceeds as rapidly as it has in the past 12 months, it will soon have monopoly control over all grain merchandising in this country. We will then have a nationalized system of grain marketing.

It is, perhaps unconsciously, making an unnecessary and undesirable invasion of a field of private enterprise which is already well served by individuals, partnerships, incorporated firms, and farm cooperatives. There is vigorous competition among those in this field, and no real need for an additional entry by CCC has been proved.

Apparently legislation will be necessary to restrain the Commodity Credit Corporation—certainly there is little or no evidence of self-restraint. The legislation under which the CCC functions is broad, often very general, and unless some specific curbs are enacted into law, we can expect it to move steadily into a dominant, controlling position with respect to all aspects of grain marketing. This does not appear to have been the intent of Congress—but it is happening anyhow.

Individuals, partnerships, incorporated grain firms, and farm cooperatives can compete with one another, and those whose existence is justified will survive. Meantime, through competition, they provide an efficient, low-cost marketing service for producers and consumers.

But they cannot compete with the Government and survive. If they are wiped out of the picture and the Government, through CCC, monopolizes more and more grain-marketing functions, the service realized by farmers and consumers will certainly become poorer. I am sure that it is not necessary to destroy the existing marketing system. The present CCC trend should be halted.

What has happened to support my conclusion?

Already, in 2 years' time, the trend in the expansion of CCC's functions has become unmistakable.

Two years ago grain supplies were relatively short. In view of that situation, cataloged as "an emergency," CCC had assumed a monopoly in the export of wheat, flour, and other grains. However, it utilized domestic marketing facilities in procuring grain for export, and it left the field of domestic selling strictly alone. But all that underwent change as grain supplies became more ample this year.

Last May, for the first time in many years, CCC acquired large quantities of wheat under the price-support programs through the maturing of loans and purchase agreements.

Normally the movement in grain is from the farm to country elevators, then to subterminals and terminals, and then to seaports for export or domestic mills for processing This "normal" pattern of handling and marketing grew up over a period of many years with heavy investment in facilities for efficient, low-margin handling. Few commodities are handled at such low unit marketing costs as is bulk grain.

Last spring, however, CCC decided to introduce radical changes in this system of handling. It found most elevators filled with loan grain. Instead of emptying terminals and subterminals, thus opening the system to full functioning, CCC decided to take possession first of loan grains on farms and in country elevators, sending these directly to ports. It arranged to have these grains mixed, blended, and processed as necessary at ports; it simply bypassed the subterminal and terminal facilities. It reduced its procurement program. As a result, subterminal and terminal facilities were unable to do

their part in handling the new crop. Many were filled to the eaves through most of the new-crop movement.

This movement, as directed by CCC, disturbed the whole system of handling grain, rendered the system less efficient, and tied up transportation facilities with an uneven flow to ports which resulted in congestion one week and a shortage of supplies during other periods. Except for the fact that the wheat crop deteriorated greatly in the latter part of the growing season, the situation would have been far worse, but it was seriously wasteful in any case.

Meantime, CCC invaded the domestic selling or merchandising field in a subtle camel-in-the-door-of-the-tent manner. It began trading lots of grain in one position, say, at an interior point, for another lot in store at or near a port. These trades are known to have taken place in substantial volume, but it is difficult to establish the specific terms applicable to each. They are veiled in mystery.

The result is that open competition has been bypassed, too. The trades have disturbed protein premiums and other price factors in the various markets without warning of any kind and without traders having an equal opportunity to participate in the trades. It is obvious that this development will lead in these directions:

1. To trades that will result in favoritism.

2. This type of trading will lead to a weakening of the demand for millers and other users of grain as they turn from their regular suppliers more and more to CCC.

No private business, whether it is owned by one individual or 100,000 farmers, can afford to take the losses that are involved in competing with a Government agency which has financial resources running into the billions. A business loss that might wipe out an old partnership or a co-op with 25,000 members could be just an unnoticed series of ciphers on the books of CCC.

In the case of corn, the expansion of Government-owned storage facilities, now under way, poses another series of problems that may prove disastrous to country elevators, cooperatively owned by farmers or otherwise. Large bins are being erected on hundreds of sites in the Corn Belt, with CCC entering into real-estate rental agreements with options to buy the land. Plans for putting in scales and handling equipment are being made. Country elevators soon will find themselves competing with a new system of establishments owned and operated by the Government.

If CCC is not restrained, it is easy to see who is in the best position to win that struggle.

It is restraint, not destruction, of CCC that I propose. There is a substantial difference.

Our farmer-members believe price supports are helpful to them. But they believe also that a system of price supports does not mean that the Government needs to invade and occupy the whole field of grain marketing any more than a system of price supports requires the Government to invade and occupy the field of grain production.

Congress has said on occasions in the past that "normal trade channels shall be employed so far as is practical," or words to that effect. Such langauge has been intended to restrain CCC, to instruct it to use existing trade facilities.

But, unless that word "practical" is defined, its power of restraint will be only a thin whisper. It will be of no significance while the march on to nationalization of grain marketing proceeds quietly, undramatically.

In the case of farm marketing cooperatives, many of you are aware of the many sacrifices made by farmers over the years to establish co-ops as a competitive force. Farmers have been encouraged by the Government to cooperate, to reduce marketing margins, to employ good business methods, to improve grading, and to stress quality factors. A lot of progress has been made.

Is all that which has been sacrificed and achieved to be forgotten now? Is it sensible for all to stand idly by as the Government, through CCC, gradually pre-empts this field of marketing activity?

In the fields of tobacco, cotton, peanuts, and other farm commodities developments somewhat similar are to be noted.

An investigation should bring out the facts. There is no substitute for a painstaking congressional study of this development. Call in the people who are living with this development and get the facts.

Such an investigation needs to be undertaken without delay as the basis for a remedy which must find expression in legislation that will definitely and finally instruct CCC as follows: "Here is the line; here you come to a dead stop before invading the field of existing individual, corporate, and cooperative enterprise."

To tell the CCC in general terms to stop, to restrain itself at a point which it considers practical is to exercise no restraint at all. It will find excuses for substituting itself for others. It will drift on into this field as has been so evident in many countries abroad. For Congress to leave this matter to the judgment of CCC officials, who come and go, would be a serious mistake, costly to correct. Indeed, if you leave it to CCC, count CCC in right now; and when CCC is in, everyone else is out.

Action before 1949 crop loans and purchase agreements mature next April is essential

For Congress, it is no impossible task. It has written restraints before into legislation to cool the ambitions of power-hungry bureaucrats. It has legislated restraints in the grain marketing field which corrected abuses of the past. It can save the existing values of our present grain marketing system. I hope it will act promptly.

STATEMENT BY ROY F. HENDRICKSON, WASHINGTON REPRESENTATIVE, NATIONAL FEDERATION OF GRAIN COOPERATIVES, WASHINGTON, D. C., BEFORE THE REPUBLICAN NATIONAL FARM CONFERENCE, SIOUX CITY, IOWA, SEPTEMBER 23–24, 1949

Mr. Chairman and members of the committee, the present trend of agricultural legislation and administrative action is rapidly moving the United States Government into the business of farm marketing. The approach may seem subtle to those who have not studied this subject, but to those who are in the business of marketing commodities on behalf of farmers—and I am now speaking of grain marketing cooperatives—the process is about as subtle as an ax.

The Commodity Credit Corporation is now directly responsible for handling an increasing volume of wheat, corn, and other grains; it is deeply involved in the handling of tobacco, wool, cotton, potatoes, and many other commodities. Its business in handling farm products is marked by less and less restraint.

And now it is proposed, by law, to establish a general sales manager for this whole operation of marketing in which the Government has become so deeply engaged. There is pending in the Senate at this time S. 2522, the so-called Anderson bill. Section 412 of this proposal reads as follows:

"The President shall appoint, by and with the advice and consent of the Senate, an Assistant Secretary of Agriculture in Charge of Sales Operations. It shall be the duty of such Assistant Secretary, subject to the supervision and direction of the Secretary, to plan and carry out, through the Production and Marketing Administration, the Commodity Credit Corporation, and other agencies within the Department of Agriculture, programs for marketing and otherwise disposing of agricultural commodities and products acquired through price support and other activities of the Department. In planning and carrying out such programs such Assistant Secretary shall strive to make such commodities and products available for purchase in areas of the country in which they are in short supply and in which prices for such commodities and products are above support levels. Such Assistant Secretary shall, ex officio, be one of the directors of the Commodity Credit Corporation provided for by law. Programs affecting the disposition of property of the Commodity Credit Corporation shall be subject to the approval of its board of directors and the Secretary. Such Assistant Secretary shall be compensated at the same rate as the other Assistant Secretary of the Department of Agriculture, and shall perform such additional functions as the Secretary may assign."

Here we have the formal step to consolidate the invasion of the marketing and merchandising fields, which is under way using different methods and different techniques for the different commodities. This is the capstone of the new edifice called "nationalized farm product marketing."

The establishment of this additional Assistant Secretary in Charge of Sales Operations, a kind of super-duper sales manager for the Nation, means that in a relatively short time we will have district and regional sales managers, sales managers in the various States and Territories, and, ultimately, sales managers for the commodities acquired in the various counties of this country.

What methods is this sales manager to employ? Is he to supervise the new system of trading which has been carried on more or less in secret for some months past by the Commodity Credit Corporation, involving the trading of lots of grain in an interior position for lots of grain at port positions?

I read of no requirement in the proposed legislation which would establish this sales-manager position requiring that there should be competitive bidding, open bidding, or anything else. So one can only conclude that, in addition to spawning a vast new bureaucracy of United States sales managers, the new system will spawn a whole new hierarchy of 5-percenters. There will be 5-percenters specializing in contacts with Government sales managers for cabbage; another batch for corn, and a dozen or more flitting around, if not in, the rye. A new era for playing favorites in the disposition of the produce of the land will come with overtones of onions and hamburgers all in the raw.

It will mean that sales will be made by stealth, in secret, without any consideration for those who are already engaged in this field of activity, including cooperatives which farmers have established in many localities and terminal markets over a period of many years.

Note again the language of section 412, which states that the new General Sales Manager-Assistant Secretary "shall strive to make such commodities and products available for purchase in areas of the country in which they are in short supply and in which prices for such commodities and products are above support levels."

Trying to find customers for wheat, corn, grain sorghums, oats, barley, and rye in any section of the country or, for that matter, in any section of the world is the function which those now engaged in the marketing of grain are doing to the best of their ability. Has there been a demonstrated failure on their part which requires that the Commodity Credit Corporation enter into competition with them so that customers in search of cereal or feed grains might better be served? There is not one single bit of evidence to that effect

No one—whether an individual, a partnership, a corporate firm, or a cooperative backed and supported by loyal farmer-members—can compete with a Government agency headed by a general sales manager with the rank of Assistant Secretary of Agriculture, with wide-open authority to invade this field of marketing without regard to the effect or influence upon those who are already engaged in this work.

Perhaps the establishment of this general sales manager's position in the Government of the United States is to be a forerunner of the establishment of such positions as the following: United States general sales manager for copper; United States general sales manager for coal; United States general sales manager for oil; United States general sales manager for office furniture; United States general sales manager for printing and binding; United States general sales manager for steel and iron.

Just because the Government is in the field of supporting farm prices—an activity which can be well and separately justified—is no excuse for invading the whole field of marketing activity which is now rapidly underway.

Without prejudice with respect to other provisions of S. 2522, the Anderson bill, I sincerely request that prompt steps be taken to defeat section 412. That will put an end not only to this provision for establishing a sales manager with the rank of Assistant Secretary of Agriculture but also to the vast implications of substituting Government for those who are now engaged in serving the farmer in the marketing and handling of his commodity.

Let us take a look also at what is happening in the field of grain storage, where the Department of Agriculture recently announced the acquisition through purchase of steel, wood, and aluminum bins with a storage capacity exceeding 190,000,000 bushels. At the same time the Department announced that it is prepared to expand this volume to 500,000,000 bushels. Remember that these steel, wood, and aluminum bins are the property of the United States Government and are being erected on land with a rental agreement of from 5 to 10 years, with an option for the Government to buy.

The Government has decided, apparently, to go into the storage business in a big way.

Why was the field of grain storage and handling so selected?

The practice of the United States Government for some years past has been that, where production or handling capacity in some line or other was lacking and where the national interest would be served, the RFC would make loans to those already trained and experienced in that field of activity to expand plants or facilities.

During the war, our capacity to produce steel was thus expanded; our capacity to acquire and stockpile materials from abroad was increased; similarly, the capacity of our shipyards was increased, and ditto for airplane plants and many other lines of activity.

Why should we now, in peacetime, abandon the principle of utilizing and mobilizing know-how, experience, background, and training—which was invoked during wartime when the need for speed and sure action was even greater than it is at present?

No offer has been made by the Commodity Credit Corporation to make loans to individuals, businesses, partnerships, corporations, or farm cooperatives to expand storage of corn, of wheat, or any other grain by a single bushel. It is true that offers have been made of loans to individual farmers to finance up to 85 percent of the cost of construction of storage bins with 5 years or more to pay at 4 percent interest. It is true that, if 6 farmers or 66 farmers desire to go together and build in the aggregate and more cheaply such storage as they might individually build under this loan program, they are disbarred from thus associating themselves together.

So CCC goes ahead on its own, investing millions of dollars in storage without trying to induce anyone else to do it more cheaply by offering a loan program of any kind.

Millions of dollars have been invested in storage capacity over the years. Cooperatives have built privately very substantial storage facilities in the last several years, including this present year, and they will build storage during the coming year.

But they are uncertain as to how far they should go because, while they are not eligible for CCC loans to expand storage in a field in which they have background and know-how, they cannot be certain but that America's capacity to store grain might by sudden decision of the Commodity Credit Corporation be doubled or even tripled irrespective of the volume that is certain to be stored in the years to come. They cannot compete with the Government, least of all with a whimsical Government.

Why is the Government permitted to compete in this unhampered way?

Why is the RFC approach, which is considered to be good enough for steel, shipbuilding, and many other lines of activity, estopped from being utilized as an arm of national policy in the grain storage field?

Gentlemen, it all adds up to this. We are drifting, subconsciously or by design—I can't tell you which—steadily and rapidly in the direction where the Government through CCC will dominate the whole field of farm marketing and the handling of farm products once they leave the farm. This trend is not confined to grain.

If this is to be the design of the future, let it be adopted as a conscious policy and not as the product of drift and confusion.

It is much more nearly honest, if the policy is to be one of socialization or nationalization of these functions, for the Government to issue interest-bearing bonds to buy out those who are in the business now. Let those now in the business be at least honorably discharged from their chosen fields of activity. That would be the more honorable course instead of steadily, day-by-day, week-by-week beating a stealthy invasion of the farm marketing field to a point where, faced by the impossible threat of governmental competition, those who are now in the field are dishonorably discharged from their activities through processes of attrition and bankruptcy.

You cannot compete with the Government. That has been demonstrated repeatedly, and farm cooperatives understand the consequences of a governmental invasion of their fields of activity as surely as any other private enterprise.

No finding has been made as to the necessity of the establishment by the Government of a yardstick of competition in this field. None whatsoever. Nevertheless, we find the CCC engaged in grain trading, tremendously increasing its storage and handling capacity and, to crown it all, legislation on the calendar of the Senate calling for the creation of a great new position of general sales manager of farm commodities acquired by CCC. Is that utilizing the normal channels of trade?

These developments have come so steadily that it is hard not to believe that they come as a result of a careful plan of design. Someone must have concluded that a yardstick of competition is necessary and that the Government should quietly move into this field. Someone. Somewhere.

Let's hear from him. Let him state his case. Let's look at the facts instead of just drifting along.

But if he does not speak, if he does not present evidence for the need of nationalizing the marketing of farm products, let this program be challenged here and now. The first great opportunity to arrest this trend will come in the next few weeks in Congress. Section 412 of the Anderson bill can be stricken out, and a new section written that will insure the use of normal channels of trade.

If a stop is not put to this business of setting up a general sales manager, it is just a matter of time before you will have a Government sales manager for surplus farm products in every county and township in the Nation.

And then we can have 5-percenters, not in Washington alone, but everywhere that Government bins and cribs and storehouses are filled with corn or lard or pork. That will be decentralization with a bang.

There is time to halt this trend toward the creation of a new and unnecessary marketing system for farm products. Call in the men who have been servicing farmers over the years. They will supply the facts. The principle to be written into law is not complicated. It is simply that the Government shall stop, back up, and cease and desist, once and for all, from invading a field of activity that is already well served.

DECLARATION OF NATIONAL MARKETING POLICY

At a meeting jointly sponsored by the National Council of Farmer Cooperatives and the National Federation of Grain Cooperatives, in Chicago, September 29 and 30, representatives of farm commodity marketing associations in the fields of cotton, grain, tobacco, and wool agreed upon the following declaration of national marketing policy:

We are convinced after careful study that the Department of Agriculture, through the Commodity Credit Corporation, is steadily invading the field of farm marketing to an extent where the best interests of American agriculture are in jeopardy.

We have come reluctantly to this conclusion. We feel further that this development does not follow the conscious design or intent of the President, the Secretary of Agriculture, or of Congress.

Farmers and consumers will not gain by the substitution of programs of action by the Government for the exercise of free-enterprise activity by individuals, partnerships, corporations, and by farmers themselves through their cooperative marketing associations. Instead, such activity by the Government will lead to inefficiency, high costs, and to abuse.

The many problems incident to price-support-and-purchase programs, including the handling of surpluses, whether of cotton, grain, wool, tobacco, or any other farm products, does not require substituting Government activity for private enterprise. Instead, these problems require teamwork of the highest order between Government and skill, wisdom, and know-how acquired through long experience by men and institutions specialized in finding markets for the many products of American farms.

The policy of the Government moving into the farm marketing field also marks the reversal of the long-standing policy of the Government to foster and encourage self-help and cooperation among farmers.

We urge that the Department of Agriculture reexamine all of its commodity programs with a view of withdrawing from the field of farm marketing to the greatest extent possible at the earliest possible time.

Instead, it should employ usual and customary channels of trade and avoid needless and costly governmental action.

There is a critical need for reexamination by Congress and the Administration of the trend toward a Government monopoly of farm marketing. Day by day and week by week evidence piles up of a further drift in this direction by the Commodity Credit Corporation that leads on only to ultimate nationalization.

Action by Congress is required. As an example of this, the Senate has under consid-

eration this week in S. 2522 (the Anderson bill) a proposal, section 412, which would legitimatize the present trend toward nationalization and advance it substantially.

This section would establish an additional Assistant Secretary of Agriculture "in charge of sales operations." Creation of this new and unnecessary position would result in the expansion of commercial activities by Commodity Credit Corporation.

The Senate should defeat this section, and to arrest, once and for all, this trend it should adopt a substitute section reading:

"In acquiring, storing, and disposing of commodities through loans, purchases, and otherwise, the Secretary of Agriculture shall employ usual and customary channels of trade unless, after due notice and hearing, he finds that such usual and customary channels are inadequate for the acquisition, handling, storage, and disposition of such commodities."

Such positive legislative action would assist materially in a mobilization of the energies and resources of private enterprise in selling farm products. It would give new heart to those dismayed and discouraged by the consistent growth of the socialization of farm marketing.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the nomination on the calendar will be stated.

NOMINATION OF SHERMAN MINTON TO BE ASSOCIATE JUSTICE, SUPREME COURT OF THE UNITED STATES

The legislative clerk read the nomination of Sherman Minton, of Indiana, to be Associate Justice of the Supreme Court of the United States.

The VICE PRESIDENT. The question is: Will the Senate advise and consent to this nomination?

Mr. FERGUSON. Mr. President, I do not rise at this time to oppose confirmation of the nomination of Sherman Minton to be an Associate Justice of the Supreme Court on the strength of any convictions which I may have arrived at as to his qualifications or lack of qualifications for that office.

It is rather because of an absence of any certain knowledge which would permit me to arrive at definite conclusions that I am moved to record my disapproval.

The Constitution imposes upon the Senate of the United States an obligation to advise the President on his appointments to the Supreme Court. In the absence of such information as is usually brought forth in committee proceedings, upon which I might conscientiously base my advice, I feel obliged to withhold my consent.

The Judiciary Committee has an obligation to the Senate to hold hearings, to hear Judge Minton, and to get all pertinent information which will enable the Senate as a whole to perform its constitutional function. How can the Senate as a whole advise and consent if it is not in possession of all the pertinent facts? The Senate should now recommit the nomination of Judge Minton to the Judiciary Committee so that it may faithfully perform its true functions.

It is quite true that on the basis of his past record in public office and certain utterances by him which had the appearance of stating a political philosophy, I would be inclined to question Judge Minton's fitness for the Supreme Court. I think it is very pertinent to know whether a nominee to the lifetime office of Justice of the Supreme Court holds a philosophy which may be contrary to the foundations of the Republic.

I think that any nominee's views on freedom of the press, for instance, are vital. If they should prove in any way contrary to the institutions provided in the Constitution, it is doubly vital to know also whether a nominee may entertain the notion that his personal political views should prevail over the supreme law of the land as it is stated in the Constitution.

For my own part, I have always held to the belief that a judge construes the law and does not make it. To do otherwise is to take over the legislative functions. It is my belief that a judge must base his decisions on what the law is, not on what his own political inclinations may lead him to feel the law should be. It is the will of the Legislature which is to be construed and squared with the Constitution and not the will of the Justice.

In short, I have never subscribed to the theory that the Constitution is but wax in the hands of the judiciary. I believe the Constitution must be respected for what it is, the supreme law of the land.

There is enough in the public record of Sherman Minton to indicate grounds for serious doubts as to his present position on such vital matters as these. It is his present position which is the sole concern of the Senate at this time. To be sure, it is possible that one could deduce his present beliefs from the past record. But the process of deduction cannot be satisfactory in a case of this nature. Such doubts as may exist on his present beliefs could only be resolved by the personal, direct, and current expression of the nominee himself. Such an expression we have not had.

The circumstances under which Judge Minton's nomination has reached the floor are, of course, familiar to Senators. In the light of various representations with respect to Judge Minton's fitness for the appointment under consideration, the Judiciary Committee of the United States Senate requested his attendance before it in order that he might be personally interviewed.

I supported the motion to request Judge Minton's attendance before the committee because I consider it altogether fitting for this body to ascertain to its own satisfaction and by such means as it thinks proper the basis upon which it is to extend its constitutional "advice and consent" to any appointment.

I am informed that Judge Minton agreed to appear and that his appearance was set down for last Monday morning at 10:30 o'clock. But when the committee assembled on Monday to hear Judge Minton there was delivered to it a letter, signed by the nominee, in which he stated his disinclination to attend. The committee thereupon reconsidered its previous direction and order, which was on a motion which had been carried. That order required his personal appearance. The committee then set aside the order and proceeded to report the nomination favorably to the Senate, without hearing from the judge.

A research has not indicated whether or not there are precedents for the refusal of a nominee to the Supreme Court to appear before a Senate committee, and particularly the Judiciary Committee. Any such incident, if it has occurred in the past, apparently is not a matter of record.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KILGORE. I beg to refresh the Senator's recollection on that matter. There was no refusal. He asked, after the facts were brought out, if the committee still insisted upon his appearance. There was no refusal.

Mr. FERGUSON. The letter will speak for itself.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. DONNELL. I have in my file a copy of his letter. There is no statement indicating that he was willing to come if the committee should so decide.

Mr. FERGUSON. I recall nothing of that nature in the letter.

Mr. KILGORE. Mr. President, will the Senator further yield?

Mr. FERGUSON. I yield.

Mr. KILGORE. The Senator from Missouri misquoted me. I did not say that. I said that in the end he did not refuse to come. He simply——

Mr. FERGUSON. Did not come.

Mr. KILGORE. Mr. President, will the Senator yield to me long enough to read the last paragraph of the letter into the RECORD, so as to get the truth before the Senate?

Mr. FERGUSON. The Senator from Michigan is very anxious that the truth be brought out. I wish the Senator would read it. I shall be glad to place the letter in the RECORD at the conclusion of my remarks.

Mr. KILGORE. May I read the concluding paragraph of the letter at this time?

Mr. FERGUSON. Yes; I shall be glad to have the Senator do so.

Mr. KILGORE. The concluding paragraph of the letter is as follows:

> While it is my desire to comply with any reasonable request of the committee, I am constrained at this time to call to its attention the serious questions of propriety and policy which I have endeavored to outline in this letter.

Mr. FERGUSON. And the judge did not appear. Any such incident—that is, the failure of a person to appear after he had been requested to appear and the time had been set in accordance with his expression as to when he should appear—that has occurred in the past, apparently—is not a matter of record, which fact should be noted by the Senate.

The closest approach to such a circumstance was in connection with the nomination of Justice Felix Frankfurter, who

appeared before the committee in 1939 and answered certain questions relating to his past record, although in a preliminary statement he had said:

I should think it not only bad taste but inconsistent with the duties of the office for which I have been nominated for me to attempt to supplement my past record by present declarations.

Judge Minton's letter, read to the Judiciary Committee, adopts a line of reasoning which closely parallels that statement of Justice Frankfurter's. I have studied both statements with care. I can only say that it is not possible for me to agree with their conclusions.

Each Senator must decide for himself how he will vote on this question, but I can only repeat that I consider it my constitutional obligation to satisfy myself completely before I can give my advice or my consent to any nomination, including one to the Supreme Court. If I can satisfy myself only by requiring the personal attendance of a nominee, to explore with him the record and the philosophies which in my opinion bear upon his qualifications, I feel it my duty to insist upon such an appearance, and to withhold advice and consent if the duty is not discharged.

Mr. President, this is the second instance within recent weeks when the Senate of the United States has been foreclosed from an opportunity to fully satisfy itself in advance of extending advice and consent to a nomination to the Supreme Court of the United States. I draw no further parallel between the nomination of Judge Thomas C. Clark and Judge Sherman Minton. However, there is suggested in both cases a development which I think is a most dangerous threat to the processes of representative government: It is the break-down which occurs whenever the legislature is required to act through a blind spot.

On numerous occasions in the past, I have called attention to this development as it has arisen from an executive department policy of withholding vital information from the Congress. I am informed that just recently the FBI reports were withheld from the Committee on Interstate and Foreign Commerce, in connection with the nomination of Leland Olds. The present situation, however, involves the question of whether Congress itself will set up barriers against the obtaining of full and proper information for its own guidance and for the enlightenment of the public.

Both circumstances have arisen, of course, through the imposition of majority will. I say, however, that such an imposition of majority will is treading dangerously toward the suppression of minority expression, which is the certain road to totalitarianism.

It is most regrettable, Mr. President, that the present incident should again involve the judiciary, and the highest court in the land. I am keenly sensitive to a feeling throughout the Nation which is assigning to the Federal judiciary and to the Supreme Court a stature far below that which good policy, as pronounced in the doctrine of separated powers, and tradition, based on respect for the law as an institution, have always reserved for the courts.

The kind of proceeding with which we are confronted here, in which parties of interest have been shut off from making a record on the qualifications of the nominee, is of the sort which causes the public to say "What is the use?" It is a proceeding of the sort which creates an apathy on the part of the public. Apathy is one of the most dangerous of all ailments that may beset a people, for it simply is not good that the public should lose interest in its judiciary or in its government.

One possible explanation of the derogatory sentiment for the judiciary and of the present public apathy, as I see it, is the dominance on the bench of representation from one political party.

It has been made a part of the Judiciary Committee record that since 1933, 184 out of 192 appointments to the Federal bench, or about 96 percent, have been from one political party, the Democratic Party. This is an unbalance which undermines full faith in the judiciary.

I am not suggesting, of course, that membership in a political party should be a qualification or a test of disqualification for the judiciary. Political parties are unknown in the Constitution. But as they have evolved in the United States into an effective two-party system, they represent an expression of majority and minority interests whose interplay was guaranteed by the Constitution as the genus of American Government.

A fair balance in the judiciary between political parties is vital. It is vital, not because of any concern for party representation as such, but because the balance is a source of public faith in the integrity of the judicial system as the protector of all interests.

No political party should ever say in its appointment to the judiciary that "To the victors belong the spoils," for that would only lead to having political parties control the courts without regard for justice.

I believe it is the function of the minority to bring matters such as these to public attention.

The system of checks and balances which characterizes our Constitution is a reflection of this Nation's dedication to the rights and interests of minorities. The first 10 amendments to the Constitution are, in particular, limitations upon the majority. The spirit in which the Constitution and the Bill of Rights were formed is given expression in the challenging statement by John Stuart Mill in his Essay on Liberty:

If all mankind minus one were of one opinion, and only one person were of a contrary opinion, mankind would be no more justified in silencing that one person than he, if he had the power, would be justified in silencing mankind.

The fear that an unbridled majority would lead to tyranny of a sort worse than that imposed by any autocracy, may be read throughout the debates in the Constitutional Convention, in the Federalist Papers, and in the Constitution itself.

No. 51 of the Federalist Papers, presumably written by Madison, because it so closely follows his reasoning on other occasions, perfectly describes the principal characteristic of the representative Republic which the Constitution created:

It is of great important in a Republic not only to guard the society against the oppression of its rulers, but to guard one part of the society against the injustices of the other part. Different interests necessarily exist in different classes of citizens. If a majority be united by a common interest, the rights of the minority will be insecure. Justice is the end of government. It is the end of civil society. It ever has been and ever will be pursued until it be obtained, or until liberty be lost in the pursuit. In a society under the forms of which the stronger faction can readily unite and oppress the weaker, anarchy may as truly be said to reign as in a state of nature, where the weaker individual is not secured against the violence of the stronger.

Alexis de Tocqueville, the French political scientist, made the first objective study of American democracy in action in 1831. Throughout that study he expressed the fear which was common to all prior political scientists and the founding fathers, a fear of the tyranny of the majority. He was led to say, "If ever the free institutions of America are destroyed, that event may be attributed to the unlimited authortiy of the majority."

De Tocqueville's fears have not proved justified, however. This has been so because the philosophical considerations which motivated the founding fathers have been translated into a simple doctrine which lacks any formality of expression except in its history and its tradition. Yet it is the practical core of American Government in operation. It takes form in the functions of the two-party system. It is the doctrine that significant minorities should be persuaded, not coerced. It rests on the theory that no group should be able to impose its own opinions, views, or interests on others if, by so doing, the vital interests of other groups are not at all respected.

The fundamental means of according respect to the interests of the minority is affording it an opportunity for expression. That is the meaning of free speech. Having expressed its own interest, views, or opinions, the minority must then defer to the majority if it is not to block operations of the political machinery unreasonably.

Given its chance for expression, the minority trusts that it may so enlighten a necessary portion of the majority that in the mechanism of a representative republic its views, if they are right, will at least have an opportunity to prevail eventually.

The American theory which gives protection to the minority does so not because the minority is making a significant contribution or can claim the right for its own, but because it is always possible that it may do so. That theory has been the touchstone from which has sprung American progress. The practical operation of the theory has been most clear in the organization of Congress. Representation on committees, at the principal working level in the legislative process, is designed to approximate majority and minority representation. Except in rare instances, which

rightfully have provoked vigorous protests that in at least one case were sustained by action of the Senate in the present session, minorities on any committee are given full opportunity to submit their views and contributions to any legislation under consideration. If their views do not prevail, they are at least heard, and the facts are obtained.

From such operations has grown the strength of the American political system. From such operations throughout history the public has been given its opportunity to evaluate all the facts, so that their representatives may be held accountable to them.

Now we are faced with a situation in which Congress deliberately shuts off those who think the public interest demands full exploration of pertinent facts on a vital matter.

It is a dangerous trend and one of far more serious implications than merely requiring me to withhold my own advice and consent on the pending nomination. I am informed a motion is to be made to recommit the nomination. I shall vote to recommit the nomination to the Judiciary Committee, that it may get the facts for the Senate, that the Senate may intelligently exercise its function of advice and consent to an appointment to the highest judicial office in this great Republic.

Mr. SALTONSTALL. Mr. President, the junior Senator from Indiana [Mr. JENNER] obtained unanimous consent to be absent today because of the serious illness of his father in Louisville, Ky. Over the telephone he dictated a statement to his office, and requested me, as the acting minority leader, to read it. I shall now do so:

OCTOBER 4, 1949.

Mr. President, serious illness of my father in Deaconess Hospital, Louisville, Ky., prevents my attendance at Senate session today during consideration of confirmation of Judge Sherman A. Minton as Associate Justice of United States Supreme Court. I had hoped the Senate would extend the privilege of holding over this action to permit me to be present.

The nomination of Judge Sherman Minton, of Indiana, to be an Associate Justice of the United States Supreme Court has come before me as a member of the Senate Committee on the Judiciary.

Under any circumstance the selection of any person from my home State for such a responsible post is an honor and reflects credit on the State of Indiana. I consider it regrettable that in his selection to fill the seat on the Supreme Bench made vacant by the death of Justice Wiley Rutledge, the President did not return to the traditional custom of maintaining as equitable a balance as possible between the two major political parties.

Judge Minton attained a Nation-wide reputation for being one of the leading New Dealers in the United States Senate during his tenure in that body from 1935 to 1941.

My office has received many telegrams, letters, and telephone calls protesting this appointment because of the political record of Judge Minton. I have been reminded, in these communications, of his leading effort to "pack" the very Court to which he has now been appointed. My correspondents have reminded me of his statement in utter disregard of the suffering of the American people that "you can't eat the Constitution." In that statement he referred to that great document which he has on two other occasions sworn to defend and uphold and in event of his confirmation must reiterate should he be seated on the Supreme Bench.

Many references have been made also to his effort while a Member of the Senate to "gag" the press.

On the other hand, I have been importuned by many leading attorneys of Indiana, who, disregarding the political record of Judge Minton, assert the opinions which he has written or in which he has participated as a judge of the Seventh Circuit Court of Appeals, of which he has been a member since May 29, 1941, have been of high judicial caliber.

My interest lies solely in what is best for the general welfare of the people of my country. If I thought for a moment the membership of Judge Minton on the United States Supreme Court would be inimical to the country's welfare and to our system of government I would have no hesitancy in opposing his confirmation. I believe, however, that time and his judicial experience have tempered his judgment and there is every indication he has abandoned his radical beliefs.

Judge Minton received unanimous confirmation by the United States Senate of his appointment to the court of appeals—second highest judicial bench in the United States. I have balanced his political record against that which he has made as an appeals court judge, adding the weight of the honor that comes to Indiana in his present appointment. I earnestly desired to participate in the proceedings and cast my vote for confirmation. Please record me as voting aye.

That, Mr. President, is the statement of the junior Senator from Indiana [Mr. JENNER]. In addition, I ask unanimous consent that if, when the Senator returns, he desires to make a further statement, he may have leave to have it printed in the permanent RECORD, after the conclusion of the debate on the nomination of Judge Minton.

The PRESIDING OFFICER (Mr. NEELY in the chair). Without objection, it is so ordered.

Mr. MORSE. Mr. President, at the close of my very brief remarks I shall move to recommit the nomination. But I first wish to explain my position in regard to the motion. At the outset, I desire to say that unless at hearings before the Judiciary Committee evidence is brought forward, of which I know nothing at the present time, that would justify a contrary vote, I intend to vote for the confirmation of Judge Minton. I intend to vote for his confirmation, based upon my brief, summary study of his record as a Federal judge, which, as the Senator from Indiana [Mr. JENNER] has said in his statement read by the Senator from Massachusetts [Mr. SALTONSTALL], has demonstrated that Judge Minton has good judicial quality.

I think it is also true, Mr. President, that we have had example after example of members of the bar, elevated to the bench, who, previous to their elevation to the bench, were engaged in partisan politics and held very pronounced views on various controversial subjects, but when they put on the robe they rose to the ethics of their profession, as every good lawyer does, and demonstrated that on the bench partisanship was outside the courtroom and that they would administer and adjudicate the law in accordance with what the law is.

I say that, Mr. President, by way of preface, because I want to say that I am satisfied that Judge Minton will, on the Supreme Court, as he has on the lower Federal bench, live up to the high qualifications and professional demands of the bench.

I am moving to recommit this nomination, Mr. President, on entirely different grounds, because I say it is of great importance that in the Senate of the United States we should try always to base our actions on sound principles of representative government. I think the Senator from Michigan [Mr. FERGUSON] has put it exceedingly well in the very able speech he has just delivered, in his discussion of the principles of representative government and of the part which the Senate of the United States must play under the Constitution in giving its advice and consent. I think we, as Senators, need to reexamine the true historical meaning and intent of the advice-and-consent clause of the Constitution. It certainly was never the intention of the founding fathers, if I correctly understand my constitutional history, that we should close the door of a Senate committee to a thorough and full opportunity on the part of all our colleagues in the Senate to use the committee iself as the only available instrumentality prior to the Senate floor debate itself for an investigation into and a consideration of the record of any nominee of the President to any office to which the advice and consent of the Senate is required by the Constitution.

So I shall move to recommit this nomination, Mr. President, as the only way I can protest the action of the Judiciary Committee in this instance, an action of which I thoroughly disapprove, because there not only are men on the Judiciary Committee who desire to pursue a study and investigation of Judge Minton's qualifications, but there are other Members of the Senate who are not favorable or who are inclined to be unfavorable to the nomination who, in my judgment, should have had the right of the open door to the Judiciary Committee to appear before that committee and receive the courtesy which I am sure they would have received had hearings been held and had they asked for an opportunity to appear before the committee to pursue an inquiry into the qualifications of Judge Minton.

Mr. President, the tendency in the Senate to build up precedent after precedent of reporting nominations to the floor of the Senate without inquiry on the part of the Judiciary Committee in the sense of calling the nominee himself before the committee, so that all Members of the Senate may use the committee as an instrumentality for an inquiry into his qualifications, is a precedent and a trend that should be stopped, because I do not think it is consistent with the true spirit of the advice-and-consent clause of the Constitution.

The statement that a judge should not be called before the Judiciary Committee because some improper question might be asked him is, I think, a reflection on the Senate itself. The Members of this body know the proprieties. They are not going to ask a judicial

nominee improper questions. If one Member should, by lapse of good judgment, unthinkingly, do so, we all know that it is very easy to handle such situations as they arise in the committee. No, Mr. President, the danger of the policy we are following in this instance is a danger that we are going to weaken the confidence of the American people in democratic processes. It is this sort of thing which gives rise to suspicions and distrust among our people. It creates the impression that the Senate of the United States is operating a steam roller in regard to nominations.

My next point, Mr. President, is that it is unfair to the President of the United States. The President of the United States, I am satisfied, when he sends a nomination to the Senate, is sufficiently confident that the nomination is a good one, that he does not wish to have any doors of inquiry closed on the nomination. I think the type of procedure followed in this case does an injustice to the President of the United States. I think the inquiry should have been held, irrespective of Judge Minton's letter. I shall say something about that in a moment.

I say that this procedure, in my judgment, is not fair to Judge Minton, because we cannot erase the fact that the failure to hold the inquiry is going to shroud him in suspicion and criticism on the part of a great many Americans. If there is anything the Senate ought always to be careful about doing it is to see to it that we give support to the judicial arm of the Government. We are not well supporting the judicial arm of the Government tonight, Mr. President, when we proceed with this nomination, knowing that there are several colleagues in this body who desire to appear before the committee and proceed with an inquiry into the qualifications of Judge Minton. The very fact that we knew that situation existed should have resolved all doubts in favor of proceeding with the inquiry.

The Senator from Michigan pointed out the steps taken in regard to this matter. The committee, so we are advised, did vote at one time to call the judge before the committee, and apparently, if I understand correctly, decided that last Monday morning at 10 o'clock or thereabouts was the time for the inquiry. That was the formal action of the committee. Then the judge filed his letter with the committee in which he raised a question as to the propriety of calling before the committee a nominee to the Supreme Court.

There is the seed of the bad precedent, Mr. President, that we should uproot tonight, because I do not see how we can get away from the fact that the subsequent action of the Judiciary Committee is going to be interpreted as a sanctioning of the theory of the judge in his letter, and I protest that theory. We shall do a disservice to the judicial system of this country tonight if we let the precedent of the Minton letter stand. I say that the Senate of the United States tonight must make very clear the fact that it puts its stamp of approval and sanction on the principle that when the President of the United States nominates a man to the United States Supreme Court there is nothing improper about calling the nominee before the Judiciary Committee for an inquiry into his qualifications. If we do not make that clear tonight, great disservice will be done this country.

If we are to come to grips with the principle of the obligation of the Senate under the advice-and-consent clause of the Constitution, I do not see how we can justify in effect supporting Judge Minton in his letter, which, when we boil it all down, leaves only the principle for which he contends, that a nominee for the United States Supreme Court should not be called before the Committee on the Judiciary for inquiry because it might violate the proprieties. I say that is a dangerous precedent, and I say we have to consider these matters from the standpoint of the principles, and not of the individuals concerned.

Therefore, Mr. President, as one who intends to vote for the confirmation of the nomination of Judge Minton, but as one who is irreconcilably opposed to the thesis of his letter, and further because there are colleagues of mine in the Senate who want to ask questions of Judge Minton, and further because I think it is unfair to the President of the United States to close the door of the Committee on the Judiciary to the inquiry that is being asked by our colleagues, I shall make the motion to recommit the nomination. I care not how small the number, be it one or more, if any number of our colleagues believe that the record of a man should be subject to examination before the Committee on the Judiciary, in my judgment we owe it to the advice-and-consent clause of the Constitution to see that a hearing is held and the nominee called before the committee.

Mr. President, that is the principle for which I am standing here tonight, and I do not want anyone to misunderstand that principle. There is no basis for any view that I am opposed to Judge Minton. I am opposed to the basic principle of his letter, and I am opposed to the growing trend of appointing men to the High Bench and not subjecting them to that safe judicial process of a fair, open inquiry before the Committee on the Judiciary of the United States Senate, as I think was clearly contemplated and intended by the founding fathers when they wrote that section into the Constitution of the United States.

Therefore, Mr. President, I move that the nomination be recommitted to the Committee on the Judiciary, with the instruction that the committee call the judge before the committee for a hearing on his nomination.

Mr. KILGORE. Mr. President, I wish briefly to reply, but before doing so I desire to read into the RECORD a statement which the junior Senator from Maryland [Mr. O'CONOR] asked me to have placed in the RECORD with reference to the nomination of Judge Minton. I think the statement is so clear that I ask permission to read it, as did the acting minority leader ask permission to read the statement of the Senator from Indiana [Mr. JENNER]. The statement of the junior Senator from Maryland is as follows:

Yesterday the Committee on the Judiciary voted to report favorably the nomination of Judge Sherman Minton to be an Associate Justice of the Supreme Court of the United States. I wish to comment briefly upon his qualifications for this high office.

Since his appointment to the United States Circuit Court of Appeals for the Seventh Circuit in 1941, Judge Minton has written 283 opinions. An examination and analysis of these opinions clearly reveals that he possesses ability and legal scholarship of an exceptionally high order. The opinions are written in a clear and concise manner and exhibit a mastery of the facts, technical proficiency, and an unusual grasp of difficult and complicated legal principles.

Furthermore, these opinions also disclose a scrupulous effort to limit the jurisdiction of his court to those matters confined to it by statute, extreme care with respect to criminal cases involving due process of law, and strict adherence to the facts and the law involved in the particular case. Nowhere has a tendency been exhibited to base an opinion upon social or economic doctrines.

Mr. President, I submit that the record of these opinions, written over a period of 8 years and involving a large number of important legal matters, reveals beyond any question that Sherman Minton is eminently qualified to occupy the high post to which he has been nominated by the President of the United States.

Mr. President, I ask to have this statement go into the RECORD as the statement of the junior Senator from Maryland [Mr. O'CONOR], and I wish to comment briefly on it and on the remarks of the distinguished Senator from Oregon.

To my knowledge the junior Senator from Maryland took the collected decisions written by Judge Minton, and together with some eminent lawyers went over them with a fine-tooth comb before he wrote the statement I have just read, and before he made his statement in the committee.

I may say that the action of the committee in deciding not to request the presence of the nominee was largely based upon the fact that practically the entire argument before the committee on the subject of his appearing went into the fact that there was a desire to cross-examine him as to certain votes he had cast in the Senate and certain speeches he had made in the Senate when he was assistant majority whip. Most stress was laid upon the so-called Court-packing bill.

No charge was made that went to the nominee's character, no charge was made that showed him unfitted. It is true the question was brought up as to a bill he had at one time introduced which provided for punishing criminally any newspaper publisher who knowingly published a falsehood about anyone, knowing it was false in advance, it being contended that that was against freedom of the press. Those were about the only two matters brought up at the first meeting.

The Monday meeting, I may say in order to correct the wrong impression, was originally scheduled for Thursday, and was postponed to Monday at the request of the Senator from Indiana [Mr. JENNER], who said he had to be in Indiana on Thursday. It was not set by

Judge Minton. On that occasion, after hearing the arguments, the Committee on the Judiciary passed on the protest which was quoted by Judge Minton in his letter, the protest of Associate Justice Frankfurter against the idea of trying to call a nominee to the Supreme Court before the committee and commit himself on various matters, recant his political doctrines, and all that sort of thing. That was the reason for my vote, and the reason for the vote of every other member of the committee on the motion to reconsider, although I had before that time also voted against requesting Judge Minton's appearance, because we do not follow such a practice in that committee, and never have since I have been a member of it. We give notice that we will hear any protests, and if no protests are filed that go to the character or fitness of the nominee, we merely report the nomination.

Mr. MORSE and Mr. FERGUSON addressed the Chair.

The PRESIDING OFFICER. (Mr. NEELY in the chair). Does the Senator from West Virginia yield, and if so, to whom?

Mr. KILGORE. Not at present. I may be wrong as to the number of Justices, but I have stated the information I was given. I also know that in none of the three cases I have mentioned had the man been on the Federal bench in any capacity before that. I do not think Justice Hughes had been on the Federal bench before. We were considering the nomination of a man who had a record of 8 years on the Federal bench, a man recommended by the American Bar Association, after complete investigation by its committee on judicial selections, recommended also by the National Bar Association, a smaller group, and by the Lawyers Guild. We also had before us numerous letters from leading lawyers who recommended Judge Minton.

Mr. President, I hope and trust that the motion of the Senator from Oregon, which I feel is utterly unwarranted, will not prevail.

I will now respond to a question by the Senator from Michigan.

Mr. FERGUSON. I understood the Senator from West Virginia to say that Justice Jackson had not appeared before the committee.

Mr. KILGORE. No; I said they all appeared, but Justice Frankfurter was not asked any questions, and merely read a prepared statement, a portion of which is quoted in the letter to which I referred.

Mr. FERGUSON. I think Senator Borah asked Justice Jackson some questions, and that the record will so show.

Mr. KILGORE. That is not the information I have. I may say that Judge Minton had been investigated by the Committee on the Judiciary in 1941. If I recollect correctly, at that time the distinguished Senator from Wisconsin [Mr. WILEY] moved to report his nomination after a very brief hearing, a copy of which I have obtained from the Archives, if any Senator wishes to read it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. MORSE. I am sweeping away some cobwebs now as I go back through my recollections of the history of the United States Supreme Court. I am satisfied that the Senator from West Virginia has not even started to name all the nominees for the United States Supreme Court who have been called before the Committee on the Judiciary in the history of the Court.

Mr. KILGORE. I may say to the distinguished Senator from Oregon that I did not state that was my knowledge. I stated I had been so informed, but that I had not made an investigation. Certainly the Archives could have given me the full information had I asked for it. The question happened to come up tonight because somebody informed me that only three nominees had appeared before the committee.

Mr. MAGNUSON. Mr. President, I had not intended to say anything on this nomination tonight, but in view of the very able speeches made by the Senator from Michigan [Mr. FERGUSON] and the Senator from Oregon [Mr. MORSE] in respect to the action of the committee, I think it is proper that not only should I make my own position clear, but that I should make clear what I think was the position of the members of the committee who voted to report the nomination.

I will say to the Senator from Oregon, with whom I always hate to disagree, and to the Senator from Michigan, with whom I have had many disagreements in the Committee on the Judiciary, that I voted to report favorably the nomination of former Senator Minton, because I was ready to vote on the confirmation of the nomination. I had made up my mind on that subject. I thought I had fulfilled in committee any duties I have as a Senator. I further voted to report the nomination despite the fact that the Senator from Michigan and the Senator from Missouri [Mr. DONNELL]—I believe the Senator from Wisconsin [Mr. WILEY] voted with them—had openly expressed a desire to cross-examine Judge Minton in person. I voted to report his nomination from the committee because I felt that it would serve no purpose that I knew of to call him before the committee. No other witnesses had asked to appear. No other communications were before the committee.

Senator Minton's record as a United States Senator was a matter of public record. His 283 decisions were before the committee, and had been analyzed to a great extent by the Senator from Maryland [Mr. O'CONOR], who submitted a synopsis of them.

I had made up my mind how to vote on the nomination, and I am sure the other members of the committee had also made up their minds how they would vote. I felt it was my duty as a United States Senator to express my mind in committee, and I did so.

The nomination now before the Senate is different in character from that of other nominations considered by the committee. I am not familiar with all the cases, but we have had occasion to go into rather extensive investigations of nominees who had not previously served in public bodies, in which event their records would have been a matter of public record. In most cases they were men who had not been on the bench for so long a period of time as Judge Minton had, nor had they served on such a high level as the United States circuit court of appeals, on which Judge Minton has served with great distinction.

Mr. President, I do not believe our action will set a precedent. I am sure that the Committee on the Judiciary will in the future call nominees before them in cases where the committee believes some matter should be probed into in connection with a judicial nomination.

The majority of the members of the committee voted because we were ready to vote. We voted also because all the discussions respecting Judge Minton in the committee were based upon his record as a United States Senator, which stands as an open book and a public record. He had made many speeches in the Senate, and expressed himself on various subjects.

Very little was said by those who wished to examine Judge Minton further about the best evidence in the case, the best evidence being a mass of decisions brought before the committee, 283 in number, some of them minority opinions approved by the Supreme Court itself, some of them classics, so say some lawyers who have read them. I read only about 12 of the opinions. I could not read the 283. Those who analyzed the opinions, however, said there was no evidence whatsoever that in the 8 years previous to his present nomination to a position in which the country is going to call upon him to do the same type of work, upon the Supreme Court Bench, that he has done in the Federal court, had he ever injected any partisanship into any of his decisions, though obviously he had been partisan when he was in the Senate. He was an advocate in the Senate. He is a judge now, and has been a judge for 8 years.

As the Senator from Oregon, who is a great scholar and who was a distinguished teacher of jurisprudence, knows, one of the cardinal principles in our approach to problems of evidence and jurisprudence is that we should use the best evidence, and the best evidence was not discussed at all. There was no mention that I recall—and I attended all the discussions—that anyone wanted to probe Judge Minton about anything personal, about his integrity, his character, or himself, as an individual.

Those who voted to report his nomination from the committee felt that his record in Congress was before us. It has been available since his nomination. We had before us 283 decisions rendered by him as a judge of the United States circuit court of appeals, by which we could judge the man's ability to serve well on the Supreme Court. That is why we voted as we did. If there is something about him personally that the two Senators wish to have gone into, I do not know about it. We are ready to vote. The Congress is about ready to adjourn. The Court is now in session. It met on Monday. We thought it was the duty of the Senate to expedite this matter as quickly as possible.

If I thought some good purpose could be served by having Judge Minton come

before the committee I would not object to him coming before us. I must say in fairness to the Senator from Michigan and the Senator from Missouri that, in their motion they said the judge should appear before the committee in executive session. I do not think there was any attempt on their part to drag anything Judge Minton may have done years ago, or some statement he had made years ago, into public hearing. But all of us felt that everything was of record before the committee. We had made up our minds, and therefore we voted to report his nomination.

Mr. President, I wanted my position made clear in the RECORD.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MORSE. I will say to the Senator from Washington that I am always as much disconcerted when I find myself in disagreement with him, as is the Senator from Washington when he finds himself in disagreement with me. I think the Senator from Washington has made a fine speech in support of confirmation of Judge Minton. I wish to say, however, most respectfully, that I do not think it bears upon the major point upon which the Senator from Oregon bases his motion, which is that hearings before the Senate Committee on the Judiciary are one of the safeguards of our democratic process. Any man in our democracy who is appointed to high office should be willing to and should expect to go through the procedure of senatorial inquiry when Members of the Senate express a desire to subject him to examination. I know just how the Senator from Washington felt. I have been on committees when I was ready to vote in favor of an individual or a proposal.

Mr. MAGNUSON. If a motion is made, one cannot sit silent.

Mr. MORSE. If a colleague or several colleagues say that they would like to have a further inquiry into the matter, I feel that they are entitled to the courtesy of that opportunity. I think that is one of the checks we have in the Senate. Although it is not a right on the part of any Senator, nevertheless I think it is one of those—shall I say unwritten prerogatives which we ought to consider to be ours? When the Senator from Michigan or the Senator from Missouri says in the Judiciary Committee, "I want him here, I have some questions I should like to ask him," I do not think any nominee should be placed above that type of investigation. That is the point on which I base my motion. I say that so long as the Senator from Michigan and the Senator from Missouri wanted to examine the nominee, if we are to give full-bloom meaning to the "advice and consent" clause of the Constitution, they should have had their opportunity to make their record in committee.

As the Senator from Washington has just said, they certainly were being very careful to stay within the proprieties, in that they wanted this examination in executive session. Apparently they felt, out of the depths of their convictions, that there was a certain examination to which the nominee should be subjected. I say that in the best interests of the judiciary itself we ought to hold fast to that procedure in the Senate. That is why I think the nomination should go back to the committee.

Mr. MAGNUSON. I do not disagree with what the Senator says at all. I do not think the committee felt that it was establishing any precedent. It was voting on this case as it stood, as it has done in connection with other cases. But sometimes in commmittee, despite the fact that there is a perfectly legitimate request, when we have sat through all the discussions, if a Senator feels that such a request would serve no further purpose, particularly when the record is there, written in black and white for all to see, one must temper senatorial courtesy by making a decision, which I did.

Mr. LUCAS. Mr. President, I yield to no individual in the Senate or in the country in my deep respect for and devotion to the judicial branch of our Government. From the time I started to practice law in a farm community in central Illinois, I have maintained that irrespective of what individuals may think of either the legislative or the executive branch of the Government, there always must be a high respect for and a confidence in the judicial branch of the Government, if the people of America are to have confidence in their judgment.

I am not so sure that I am one of those who believe that if the Democrats are in power, all appointments of judges should be within the Democratic Party. However, that has been the custom; and while the distinguished Senator from Michigan complains about what has happened since the Democrats have been in power, one needs only to go back to the time when the Republicans were in control of the Government to ascertain that the same system prevailed, and that at that time Republicans were appointed in preference to Democrats.

I feel that the judicial branch of the Government, which to me is the cornerstone of all that is worth-while in America, must have a more or less balanced court, and not an unbalanced court. However, in the case before the United States Senate tonight, it seems to me that those who are complaining about members of the Judiciary Committee not being able to cross-examine the nominee of the President of the United States overlook a very important fact, and that is that Judge Sherman Minton was appointed to the circuit court of appeals in 1941, after he had served one term in the United States Senate.

Certain Senators are now seeking the opportunity to cross examine Judge Minton. At the time his nomination to the circuit court of appeals was before the Senate this body unanimously agreed to his appointment. In the opinion of the Senator from Illinois qualifications for appointment to the Supreme Court of the United States are quite similar to those required of nominees to the circuit court of appeals or a district judgeship, so far as the caliber, quality, integrity, and ability of the appointee are concerned.

It seems to me that the case is more or less res judicata. If, when the distinguished former Senator from Indiana was appointed to the circuit court of appeals there had been opposition to him upon the same grounds as are now being urged by the Senator from Michigan and the Senator from Missouri, surely Senators who were close to him at that time, Senators who served with him on the floor of the United States Senate, Senators who thoroughly understood his philosophy, Senators who heard him day after day and month after month stand up as assistant majority whip for the Democratic principles propounded by Franklin D. Roosevelt would have found an opportunity to clear up any question for the record at that time. Surely Senators on the Republican side of the aisle, or even those on our side who disagreed with his philosophy, would have sought an opportunity to examine him before the Judiciary Committee.

Now, years afterward, new men are on the scene in the Senate, men who never served with him in this body, and they ask for the opportunity to cross-examine this man in executive session. Anyone who has ever been in an executive session before a committee of the Congress knows that there is no such thing as an executive session, unless it be a session of the Joint Committee on Atomic Energy. In my time I have served on many committees, and I have been in executive sessions. Although I kept the faith with respect to what went on in executive session, the next day I found on the front pages of the daily newspapers an account of everything that had happened in the executive session. So there is no such thing as an executive session, so far as keeping information confidential is concerned.

Mr. President, it was my privilege to serve in the United States Senate with the distinguished former Senator from Indiana. I know his ability. I know his worth. I know of his patriotism. I know about his integrity, his honor, and his ability. He will serve with credit on the Supreme Court of the United States. He will serve his country well in the faithful performance of his duties under the oath which he will take in accordance with the Constitution of the United States.

Mr. President, we cannot safely judge a man by what he does in the United States Senate, so far as his judicial temperament, his deportment, and his character are concerned. We must take into consideration the decisions he has rendered; and even those who oppose him, either in the Senate or out of the Senate, do not maintain that in any of the judgments or decisions he has rendered on the circuit court of appeals he has not followed the evidence and the law, as it applied to that evidence, as he conscientiously and seriously saw it.

So, Mr. President, without attempting to cast reflection upon the motives of any person in connection with the proposed investigation, at least it may be said that nothing good could come from a cross-examination of this distinguished jurist. I wish to congratulate the junior Senator from Indiana for the letter he wrote, which was read here tonight by the act-

ing minority leader, the able Senator from Massachusetts. The junior Senator from Indiana is a distinguished Republican who, living in the State of Indiana, should know Sherman Minton better than any other Member of the Senate of the United States, not from the State of Indiana, could know him. I am informed by the other distinguished Republican Senator from Indiana that he, too, will support the confirmation of the nomination of this distinguished jurist. Certainly Members of the Senate need no better testimony than that of the two Republican Senators from the State of Indiana, the State from which Judge Minton comes, who have stated that they will vote for confirmation of his nomination.

Mr. President, to say that this distinguished jurist should be compelled to come before a congressional committee to be excoriated and cross-examined, no one knows for how long, in regard to something which happened years ago in the Senate of the United States, is to me absurd and ridiculous and not in keeping with the best tenets and the dignity of the Senate of the United States.

I sincerely hope the nomination will be confirmed.

Mr. DONNELL. Mr. President, I rise to support the motion made by the Senator from Oregon that the nomination of Judge Minton be recommitted to the Committee on the Judiciary.

The steps which thus far have been taken in the committee have been clearly stated, and they can be briefly reenumerated for the benefit of any Senator who may not have been present when they were stated.

The nomination was sent to the Judiciary Committee. It was presented to that committee. A motion was made, and was carried by the committee, that Judge Minton be requested to appear before it in executive session. A date was set, as I understand from the acting chairman of the committee, for the Thursday preceding last Monday, and subsequently the date was changed to Monday of this week, at the request of the junior Senator from Indiana [Mr. JENNER]. On the last-mentioned date—Monday of this week—the committee convened, and there was read to it a letter from Judge Minton, which I understand the senior Senator from West Virginia [Mr. KILGORE] has with him tonight. If the letter has not already been incorporated in the RECORD, I now ask unanimous consent that it may be incorporated in the RECORD at the conclusion of my remarks. I have in my hand a copy of the letter as printed in the Washington Post of today, October 4.

There being no objection, the letter was ordered to be printed in the RECORD.

(See exhibit A.)

Mr. DONNELL. Mr. President, the distinguished senior Senator from Illinois, whom I do not see in the Chamber at the moment, although I should like to have him here at this time, referred in his remarks to the fact that the nomination of Judge Minton, some 8 years ago, to the office of judge of the United States circuit court of appeals, had been unanimously approved by the Senate. The argument made by the distinguished Senator from Illinois, as I understood its implications, was that because 8 years ago—when the personnel of the Senate included a very few of the Members of the Senate who are present on the floor of the Senate tonight, and included very few of the present membership of the Senate—the appointment of Judge Minton to an intermediate court was approved unanimously by the Senate, therefore it is ludicrous that any Member of the Senate should see fit to request that Judge Minton be examined at this time by the Judiciary Committee. I do not know whether he was examined on that prior occasion.

Mr. President, I was elected a Member of the United States Senate as an individual to perform my duties as an individual; and when as a member of the Judiciary Committee, I have the duty to investigate and consider and advise the Senate upon a course of conduct, I do not consider myself bound by the actions of men who sat here 8 years ago, who were passing upon an appointment to a different court, a court whose decisions are in many instances, as was indicated in the committee a few days ago by the Senator from Michigan, subject to review by the highest court of the land. I say, therefore, that I do not consider myself bound, nor would I consider myself as doing my duty if I did consider myself bound, by the decisions and views of men who have long since passed from the scene of action in the Senate.

Of course, I pay due deference and respect to the actions of those who preceded us here; but, after all, I do not consider that I, at any rate, can be a mere rubber stamp for what some other committee did 8 years ago in respect to an appointment to a court, the decisions of which are subject to review, if error occurs, when I am now called upon to consider the capacity and qualifications of a person for appointment to the court of last resort, the decisions of which are not subject to review by any human power.

So, Mr. President, when the Senator from Illinois so eloquently exclaims as to the ludicrous nature, if you please, as I recall his words—or something to that effect—of a request that at this time we should again go into the question of the qualifications of this nominee, I must say that I cannot and I do not agree with the sentiments expressed by him.

Incidentally, I might add that when he tells us that Judge Minton, had he come before our committee, would have been excoriated, I know of no basis on which the Senator from Illinois could make or should have made such a charge. I have faith in the members of the Judiciary Committee that they, as would other Members of the Senate, would conduct themselves with due propriety and would keep their questions and their conduct within proper bounds.

Finally, with respect to remarks of the Senator from Illinois, when he tells us that nothing good could come from a cross-examination of Judge Minton, I assert that he has the ability of discerning and of prophecy which I do not claim to possess. I do not believe any Senator can tell us what would come from such an examination by the committee, or what expressions would be made within the committee.

If the nomination should not be recommitted to the Senate Committee on the Judiciary, I shall cast a vote against the Senate's giving its advice and consent to the appointment of Sherman Minton to the office of Associate Justice of the Supreme Court of the United States. The reason for my vote to that effect is that the Senate Committee on the Judiciary, by its rescission of its request previously communicated to the nominee, that he appear before the committee, has so restricted the opportunity for me to make adequate study of his suitability for membership on the Supreme Court that I do not consider that sufficient information is available to me to enable me to vote in favor of giving such advice and consent.

Mention was made this evening by two of the speakers, I believe, of the obligation of the Senate to give advice and consent. I digress for an instant to emphasize the very interesting and important fact that, according to the Constitution of the United States, although the Congress may by law vest the appointment of certain inferior officers, as they may think proper, in the President alone, thus dispensing with the duty of the Senate to give its advice and consent to the appointment, not so with Justices of the Supreme Court; for the Constitution, in article II thereof, provides that the President "shall nominate, and by and with the advice and consent of the Senate, shall appoint * * * judges of the Supreme Court." It follows that the Senate cannot, the Congress cannot by any statute or action that may be taken, dispense with the solemn duty which devolves upon the Senate in the case of Justices of the Supreme Court to advise and consent with respect to such appointments. This I say emphasizes the tremendously solemn duty and responsibility resting upon us in the case of men who are nominated to a position upon the highest court of the land.

Mr. President, I thought I had completed my observations in regard to the remarks of the Senator from Illinois, but again my mind recalls the fact that he stated that, in his opinion, the lower courts are—I have forgotten the exact words, but—of no less importance than the Supreme Court. Of course, in a sense it is true, because of the fact that we must have lower courts, trial courts, intermediate appellate courts. But I undertake to say the framers of the Constitution recognized the fact that the Supreme Court possesses a dignity and an importance which transcends that of any other court within the Federal judicial system, by making it an absolute prerequisite to membership on the Court that the Senate shall have advised and consented to the appointment of the nominee who shall have been nominated by the President.

Mr. President, we have been told here tonight about the 283 decisions, of which the Senator from Washington has read, I understood, 12. I did not understand the Senator from Maryland to say in our meeting of the committee that he, together with other lawyers, had read all the other 271 decisions. I understood

him to say in substance that he had caused the opinions to be read by members of same staff, and possibly that he himself had read some of them. I am not questioning the statement as to the contents of the 283 decisions. They may be the finest decisions pen can write. But, Mr. President, I submit very respectfully that in determining whether the Judiciary Committee should recommend that the Senate give advice and consent to the appointment of Judge Minton, the committee should not only consider the judicial record which the nominee has made—and I emphasize the word "judicial"—but should use also all other reasonable efforts to ascertain whether the qualities of the nominee as indicated by all reasonably available evidence derived both from his nonjudicial record—yes, and from personal examination of the nominee by the committee—are such as to cause the committee to believe that the advice and consent of the Senate to the appointment should be made. All these elements should be considered by the committee.

Mr. President, the nominee in this case has in the past made expressions of opinion which are relevant in the consideration by the committee of whether he would be likely to allow his views on partisan or political matters to influence his decisions on legal questions coming before the Supreme Court. Among the subjects on which he has hitherto so expressed himself—and it will be noted I said "among the subjects," for there are others I might mention and shall be glad to mention if anyone desires them—among the subjects on which he has hitherto so expressed himself is the bill which Judge Minton, in his letter to which I have referred, received yesterday by the committee, referred to as "the bill presented in 1937 to increase the membership of the Supreme Court." In the letter, Judge Minton does not state to the committee what his present view is respecting the contents of that bill. That Judge Minton's omission to state what his present view is respecting those contents is not due to any failure on his part to realize that the Judiciary Committee was concerned with his view on the contents, appears from the third sentence of the letter, which sentence reads:

> I am informed that the principal question with which the committee is concerned is my position with regard to the bill presented in 1937 to increase the membership of the Supreme Court.

But, Mr. President, notwithstanding Judge Minton's full realization as I have indicated by reading from his letter, that the committee was concerned with his position with regard to the bill presented in 1937 to increase the membership of the Supreme Court, he does not in his letter enlighten the committee as to what his position is. He points out, however, that at the time the bill was under discussion he was assistant majority whip and strongly supported the legislative measures recommended by the administration. He further states in his letter that, as assistant majority whip of the Senate, he was a strong partisan, and supported the administration. He states that the record was made and he stands upon it. He says, also, that he may have made mistakes.

In his letter there also occur two sentences reading as follows:

> It might be pertinent at this point to invite the committee's attention to the fact that at least three nominees to the Court who were confirmed in due course had strongly advocated the Court plan. The committee did not see fit to query any of these gentlemen on this matter.

Mr. President, by the statement in his letter of the possibility of his having made mistakes, on the one hand, and calling attention, on the other hand, to the fact that at least three nominees to the Court, who had strongly advocated the Court plan, were confirmed without query by the committee, Judge Minton leaves the Senate uninformed as to his present position.

Mr. President, in my opinion, it is certainly appropriate in inquiring as to Judge Minton's qualifications for membership on the Supreme Court that members of the Committee on the Judiciary be permitted to interrogate him in the endeavor to ascertain whether his conception is that the Court should be a free and independent branch of the Government or should be subject to executive or legislative influences. It is of high importance also to ascertain his opinion on whether, in order to insure that the majority of the Supreme Court shall consist of members who hold views in harmony with those which are held by Congress or the Executive, it is proper that Congress enact legislation increasing the membership of the Court to such an extent as will enable the President to appoint to the Court such number of persons who favor such views as will cause the majority of the Court to consist of Justices holding those views.

These, Mr. President, as I understand, were substantially the issues presented in 1937 on the bill so definitely described by Judge Minton in his letter as the bill presented in 1937 to increase the membership of the Supreme Court.

Mr. President, reference has been made tonight to the bill introduced by Senator Minton with respect to the press. I shall not take the time of the Senate to go into that. I do not have on the floor this evening, but I have and can produce, a record of what Judge Minton had to say on the day he introduced the bill, his reading of the bill, and his presentation of it to the Senate, and I take it that inquiry into what the reasons were in his mind for introducing that bill would be entirely relevant and proper for the committee to make.

He proposed also a plan by which no act could be declared unconstitutional by the Supreme Court of the United States unless seven of the nine members should vote to the effect that the bill was unconstitutional. This, of course, at once raises numerous important constitutional questions, and an inquiry of him as to his views thereon might well be illuminating as determining something of his attitude as to the power of the Court, as to the power of Congress, and as to the meaning of the constitutional provisions relative to the Court.

It may be suggested, incidentally, that if Congress can declare that seven members of the Court are necessary to concur in order that an act of Congress be declared unconstitutional there seems to be no reason why Congress would not have the power to say that nine members of the Court must concur in order to produce a declaration of unconstitutionality.

It is not my purpose tonight, however, to argue the question as to the validity of such a law, but I submit, Mr. President, that a man who has devoted the attention which Judge Minton has devoted to topics relative to the power of the Supreme Court, with respect to the power of the Congress, concerning the decisions of the Supreme Court, with respect to the membership of the Supreme Court being built up for certain particular reasons—a man who has studied all those various subjects and has considered the matter of freedom of the press—I say that if he shall be nominated and is nominated to membership on the Supreme Court, it is proper and important that any Senator who deems it advisable in his capacity as a member of the Judiciary Committee to interrogate the nominee concerning his general principles of constitutional philosophy and law should have the right to do so, and that the results of such an examination might very well be illuminating and important in determining his capacity and in determining his ability and qualifications.

Mr. President, in addition to the fact that because of the rescission of the previous request for the attendance of Judge Minton before the Senate Committee on the Judiciary the committee is not able now to make inquiry of him to develop information along the lines previously indicated, I invite attention to the fact that such rescission likewise has made it impossible for those of the members of the committee who are not acquainted with the demeanor and the personality of Judge Minton to become acquainted with his demeanor and his personality, and it has made it impossible for us to judge from such personal contact as to his ability and other qualities, and as to whether he would be moved in the performance of his official judicial duties by either partisan or political considerations when acting upon a court whose decisions are not subject to review. The court of which he has been a member, as I have previously indicated, in large part is a court whose decisions are subject to review, and the decisions made by a member of that court are not at all necessarily conclusive as to the type of decisions which will be made upon a court whose decisions are not subject to review, as the Senator from Michigan so well pointed out before the Judiciary Committee a few days ago.

Mr. President, the committee, in considering whether it would recommend the giving of the advice and consent of the Senate to the appointment, was subject to a profound responsibility. Judge Minton's presence could have been secured. In the light of all existing circumstances it is my opinion that without his attendance the committee did not have before it all such relevant and important evidence as it should have considered in arriving at its decision concerning the appointment.

Judge Minton, though expressing in his letter a desire to cooperate fully with the committee and to comply with any reasonable request of the committee, felt constrained to call to the attention of the committee what he termed "the serious questions of propriety and policy" which he endeavored to outline in his letter. But, Mr. President, with the exception of a statement quoted by Judge Minton from Justice Frankfurter, I do not find that in the letter of Judge Minton he specifies any of what he terms "the serious questions of propriety and policy," except that he states that he feels that personal participation by the nominee in the committee proceedings relating to his nomination presents a serious question of propriety "particularly when I might be required to express my views on highly controversial and litigious issues affecting the Court." I do not know, of course, what issues Judge Minton had in mind when he used the terms "highly controversial and litigious issues affecting the Court." It may be that those which he so had in mind were the issues which are involved in the bill I have mentioned presented to Congress in 1937 to increase the membership of the Supreme Court. I submit that an inquiry by the committee into whether Judge Minton still holds the same opinions which he advanced in connection with that bill contains no impropriety, and his answer to such an inquiry would be helpful in enabling the Senate to form an estimate of him by knowing whether in his judgment the number of members of the Court, and the persons selected as Justices, should be caused to be such as to insure decisions favoring the views of either the President or of Congress.

I see no impropriety in appearance before the Judiciary Committee by either a nominee to the Supreme Court or a nominee to the court of appeals or any district court or other Federal court, to the appointment of a member of which the advice and consent of the Senate are requisite. The committee is charged with a responsibility, in the case of the judge of any such court, to recommend to the Senate whether advice and consent to the appointment shall be granted. A subcommittee of the committee has in the past held hearings at which a nominee for a district judgeship has appeared before it. I am not informed whether that has occurred in the case of a nominee for the court of appeals. It is, however, entirely proper that a practice of having before the Judiciary Committee, or a subcommittee of it, a nominee for any such Federal court as I have mentioned, whether Supreme or below Supreme, should prevail. It is, whenever the circumstances indicate that adequate inquiry can best be made through personal appearance of the nominee before the committee, no less important that the committee have before it a nominee to a higher court or the highest Court than that the committee, or a subcommittee thereof, have before it a nominee to a lower court.

Mr. President, as the junior Senator from Oregon [Mr. MORSE] so clearly emphasized, for the Senate now to act upon this nomination by accepting the reasoning of the letter from Judge Minton stating that there was a serious question of propriety, particularly when he might be required to express his views on highly controversial and litigious issues affecting the Court, and to accept his further view that while it is his desire to comply with any reasonable request of the committee, he is constrained to call to the attention of the committee the serious questions of propriety and policy which he considers he has endeavored to outline, would certainly inferentially, put our stamp of approval upon the principal that a nominee for judgship on the Supreme Court should not be called before the committee because of some alleged impropriety, which, so far as I can see, does not exist.

Mr. President, in conclusion, no adequate reason appears why the presence of Judge Minton before the committee should not have been had. For the reasons hitherto stated, I shall, unless the motion to recommit prevails, vote against the Senate giving its advice and consent to the appointment of Judge Minton to the office to which he has been nominated.

EXHIBIT A

OCTOBER 1, 1949.

Hon. HARLEY M. KILGORE,
Acting Chairman,
Committee on the Judiciary,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: I have received your request to appear before the committee.

I, of course, desire to cooperate fully with the committee at all times but I feel that personal participation by the nominee in the committee proceedings relating to his nomination presents a serious question of propriety, particularly when I might be required to express my views on highly controversial and litigious issues affecting the Court.

I am informed that the principal question with which the committee is concerned is my position with regard to the bill presented in 1937 to increase the membership of the Supreme Court.

You will recall that at the time the bill in question was under discussion I was assistant majority whip and, understandably, I strongly supported those legislative measures recommended by the administration.

My record as a Senator is a public record and open to scrutiny by the committee. It of course, has no relationship to my record as a judge of the seventh circuit court of appeals. However, my judicial record is also available for examination. In my opinion, that record speaks for itself, as does my record as a Senator. The latter record was open to your committee and to the Senate in 1941 when I was unanimously confirmed by the Senate to the second highest court in the land.

As assistant majority whip of the Senate, I was a strong partisan and supported the administration. I do not deny this. The record was made and I stand upon it. I may have made mistakes. I likewise may have made mistakes as a judge, but I think no man can point to one of my more than 200 opinions in the past 8 years and truthfully say it was characterized by partisanship of any kind. When I was a young man playing baseball and football, I strongly supported my team. I was then a partisan. But later, when I refereed games, I had no team. I had no side. The same is true when I left the political arena and assumed the bench. Cases must be decided under applicable law and upon the record as to where the right lies. I have never approached a case except to try to find the answer in the law to the question presented on the record before me.

As Members of the Senate you will agree, I am sure, that the proper exercise of the duties of the senatorial office requires freedom of speech with which to express those convictions honestly arrived at and sincerely believed in. Under our representative system of government, the Members of both legislative bodies, the Senate and the House, are the channels through which local public opinion is brought to bear upon proposed legislation. To inhibit Members for any reason from the full expression of their views on any given measure would be to seriously hamper the effectiveness of our legislative structure.

As a Senator and an elected representative of the people, I considered it my duty and privilege to aid in the enactment of those proposals which I honestly believed to be of value to the country as a whole. That my belief in regard to some of these proposals was not shared by the majority of my colleagues, and that the measures failed of enactment, does not alter this fact. Nearly everything a Senator does is of a controversial nature. He must take a firm position on legislation, without regard to the possible unpopularity of his stand.

It might be pertinent at this point to invite the committee's attention to the fact that at least three nominees to the Court, who were confirmed in due course, had strongly advocated the Court plan. The committee did not see fit to query any of these gentlemen on this matter.

In conclusion I should like to refer to a statement submitted by Justice Frankfurter when he was asked to appear before the Senate Judiciary Committee in 1939, and read to the committee last Tuesday by you:

"I am very glad to accede to this committee's desire to have me appear before it. I, of course, do not wish to testify in support of my own nomination. * * * While I believe that a nominee's record should be thoroughly scrutinized by this committee, I hope you will not think it presumptuous on my part to suggest that neither such examination nor the best interests of the Supreme Court will be helped by the personal participation of the nominee himself.

"I should think it improper for a nominee no less than for a member of the Court to express his personal views on controversial political issues affecting the Court. My attitude and outlook on relevant matters have been fully expressed over a period of years and are easily accessible. I should think it not only bad taste but inconsistent with the duties of the office for which I have been nominated for me to attempt to supplement my past record by present declarations."

While it is my desire to comply with any reasonable request of the committee, I am constrained at this time to call to its attention the serious questions of propriety and policy which I have endeavored to outline in this letter.

Yours sincerely,

SHERMAN MINTON.

Mr. LANGER. Mr. President, as a member of the Committee on the Judiciary, I wish to call the attention of the Senate to something which has not been mentioned or has been forgotten. One of the reasons why I voted in favor of reporting the nomination of Mr. Minton favorably, without interrogating him upon votes he cast in this body, as the two distinguished Senators tried to do time and again, was because of the Constitution of the United States. Section 6 of article I reads as follows:

The Senators and Representatives shall receive a compensation for their services, to be ascertained by law, and paid out of the

Treasury of the United States. They shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at the session of their respective Houses, and in going to and returning from the same; and for any speech or debate in either House, they shall not be questioned in any other place.

Mr. President, are we to lay down the principle here that when Mr. Minton is nominated, the members of the Committee on the Judiciary are to ask him questions, as the distinguished Senator from Michigan [Mr. FERGUSON] and the distinguished Senator from Missouri [Mr. DONNELL] tried to do time and time again in the proceedings, which have been laid before the Senate?

Mr. President, what does the record show? First of all, that Mr. Minton has been an outstanding citizen. As the testimony showed, he served as public counsellor, with the responsibility of protecting the people in the communities of Indiana in all public-utility rate issues. During the 15 months of service in 1933 and 1934 he obtained rate reductions for 299 Indiana communities, at a saving of $800,000 to the consumers, and the overall rate-saving throughout the State during his term of office was $3,215,000.

Did any member of the committee want to examine him about that? No. An invitation was given for a period of 7 days when anybody could appear in opposition to him. The distinguished Senator from Oregon said many Senators wanted to appear. If they did, why did they not notify the Committee on the Judiciary? No Senator came forward and offered to give any testimony against the nominee or for him, except the distinguished majority leader.

Mr. President, what does the record show? About what matters did Senators desire to examine the nominee? On page 15 of the report of the hearing appears the following question from the distinguished junior Senator from Michigan [Mr. FERGUSON]:

Are you familiar with the record of Judge Minton as a Senator?

Mr. President, is every one of us in this body who is a lawyer, who may some day get a chance to be appointed to an appellate court or the Supreme Court, to be interrogated as to what votes we cast, expressing our honest convictions, 10 or 12 years before? Are we to be asked "Did you believe in the packing of the Court 8 or 9 or 10 years ago?" Are we to be asked, "Did you believe that the press should be shackled 8 or 10 years ago?" Are we to be asked, "Did you believe at that time, 8 or 9 years ago, that it should take seven members of the Supreme Court to declare an act unconstitutional?"

Mr. President, I for one am proud of the fact that a majority of the minority party on the committee, the distinguished Senator from Wisconsin [Mr. WILEY], the Senator from Indiana [Mr. JENNER], and myself were in favor of reporting the nomination. The Senator from Indiana, not being present, announced that he was in favor of reporting the nomination. I shall vote against the motion to recommit.

Mr. CAPEHART. Mr. President, I have known Judge Minton for many years, and when I first learned that the President had appointed him I made the statement that I was delighted to see the appointment go to the State of Indiana. I shall vote for the confirmation of the nomination of Judge Minton, but because I find myself in agreement with the able Senator from Oregon [Mr. MORSE] and the able Senator from Missouri [Mr. DONNELL], I must say that, if I understand the situation correctly, the committee voted to ask Judge Minton to appear before it. Rather than appear before the committee, Judge Minton wrote a letter to the committee, and as a result of that letter the committee then voted that it would not request the judge to appear.

There is no question in my mind that had the judge appeared before the committee he could have answered the questions of the able Senators to their entire satisfaction. Judge Minton belongs to the opposite party from mine, and I have not always agreed with him, in fact, I have found him quite a hard fighter for that in which he believes, and I have disagreed with him on a number of occassions, and have had occasion to be in campaigns against him, but I am certain he would have been able to satisfy the Senators.

Mr. President, I shall vote tonight for confirmation of Judge Minton's nomination. I am satisfied that nothing would have transpired, had Judge Minton appeared before the committee, which would have kept me from voting for the confirmation of his nomination. But I believe there is a principle involved, and that principle, as has been ably brought out by the distinguished Senators from Oregon and Missouri, is that if any single Senator wishes to question a nomination or appointment to the Supreme Court or any other appointment which requires confirmation by the Senate, he should have the right to do so. I honestly and sincerely believe a Senator should have that right. I believe that if we as a Senate depart from that principle we will make a mistake.

While in this particular instance I do not think any harm will result, for I feel that Judge Minton would have been able to take care of himself had he appeared before the committee, and that he would have satisfied the members of the committee, it might sometime happen that as a result of a committee denying an individual Senator the right to question a nominee, great harm might be done.

I must say that I do not like the idea that Judge Minton took it upon himself to write a letter to the committee rather than to appear in person, as I understand he was supposed to have done.

Mr. President, I do not think I shall vote to recommit the nomination, because I do not believe anything can be gained by doing so at this time. I believe the remarks which have been made in the Senate tonight by the able Senator from Oregon and the able Senator from Missouri have made a record which will be just as helpful to the Senate in the future, if the question of denying an individual Senator the right to question any nominee should arise, as it would be to recommit the nomination to the committee.

I shall vote for Judge Minton's nomination. I shall vote against recommitting the nomination. We in Indiana are proud of the fact that Judge Minton was nominated to be a Member of the Supreme Court, the first instance in the history of our State when an Indiana man was placed on the Supreme Court bench.

Mr. President, I am standing before the Senate tonight saying what I am in order to make a record as being opposed to any committee reporting any nomination to the floor of the Senate, regardless of whether it be to the Supreme Court of the United States, or any other appointment, when there is a single Senator who desires to question the nominee. I think such a practice is bad; I think it is wrong. If any Senator were denied the right to question an individual who was nominated from his home State, I believe he would feel very bad about it. I must register my objections to such a practice. Again I say that I am sorry Judge Minton did not appear before the committee, because I am certain he could have answered all questions asked him to the entire satisfaction of the committee.

Mr. MORSE. Mr. President, I shall take a half minute to answer my very dear friend from North Dakota [Mr. LANGER] who cited section 6 of article I of the Constitution, and laid particular stress on one clause, the so-called exemption clause, "and for any speech or debate in either House they shall not be questioned in any other place."

I think it is perfectly obvious that that section has absolutely no application whatsoever to the case before the Senate. That section obviously refers to a Senator while in office, and certainly does not apply at all to a Senator who served back in 1941, and is now nominated to the United States Supreme Court. It would be an interpretation of the Constitution of the United States, more elastic than the Supreme Court itself has ever stretched that great document.

I desire to say furthermore, Mr. President, in answer to my good friend from North Dakota, that, of course, the record a man makes in the Senate of the United States, if he is subsequently nominated to the United States Supreme Court, is a record which should be reviewed as to his qualifications. I think we can take judicial notice of the fact that in the history of this country there have been Members of the United States Senate who have made a record in the Senate of the United States which clearly disqualified them for appointment to the United States Supreme Court, a record which showed clearly that they did not have the judicial qualifications essential to the protection of the ideals and standards of the American judiciary.

I simply do not want the RECORD to be closed tonight without an answer to the observations of the Senator from North Dakota, because so long as many of us present here tonight are in the Senate of the United States I am sure we will hold fast to the proposition that the public record of a man in the Senate of the United States shall be subject to review

when it comes to passing upon his qualifications for subsequent appointment to the Supreme Court.

Mr. WILEY. Mr. President, I will detain the Senate for only a few minutes. I simply want to make the record clear so far as I am personally concerned. I attended the meeting of the Committee on the Judiciary when the vote stood 5 to 4 in favor of having Judge Minton appear before the committee. I was one of the five. I want to make my point crystal clear, that while I have known Judge Minton for many years, and while in 1940 or 1941 I served on a subcommittee with former Senator Hatch, now Judge Hatch, which voted favorably on Judge Minton's nomination to be a Federal judge, I feel that when a Senator of the United States—and in this case there were two Senators—asks that the nominee come before the committee, such a request should be granted as a matter of right. During the 2 years I served as chairman of the Committee on the Judiciary we had a universal practice that no matter if only one Senator made a request, it heeded.

Mr. President, I wish to speak for just a moment to that particular point, to the subject of the Senate being careful to maintain, so far as it can, the system of checks and balances. When the committee met last Monday morning, and our Democratic friends came into the committee room, it was very plain they came in with a united purpose. They were all set, and the motion was made to reconsider. I voted against that motion, so the vote was 3 to 8. However, when the committee finally voted on the question of approving the nomination, I voted to approve.

I personally feel, Mr. President, that in this period it is very important that we in the Senate do not give ground to the domination of the Executive. We are called upon in this case and in similar cases to advise and consent. I believe with my whole soul that an imperative duty rests upon all of us to make the words "advice and consent" really vital and living. If we regard the process as merely mechanical, and the nominee of the party is automatically approved, we are not doing our job.

I believe it was suggested that the action of the committee was a disservice to Judge Minton. I believe that if Judge Minton had been called and interrogated as to his present philosophy in relation to government, especially his philosophy in relation to sustaining constitutional government in this atomic age, this age of communism, he would have met the issue four-square, and it would have been a healthy thing for the public to read his statement. So I think there has been a disservice to Judge Minton, but I believe there has also been a disservice to the Senate. I believe that when the committee votes, as it did, to have Judge Minton appear before it, and he later submits a letter suggesting that perhaps it is not the proper thing, and immediately upon that suggestion the committee reverses its former action, we are acting more like school boys than like statesmen.

Mr. President, I shall vote to confirm the nomination of Judge Minton. I doubt whether it would do any good to recommit the nomination. I think the debate on the floor of the Senate has served a very useful purpose. I compliment Senators who have spoken. I think they have brought very clearly to the attention of the country the fact that at long last the Senate recognizes that it is not simply the tool of the Executive, but that it is a separate and distinct branch of the Government and has its responsibility to perform its functions without dictation from the Executive.

Mr. FERGUSON. Mr. President, on the question of the meaning of the Constitution, I beg to differ with my distinguished colleague from North Dakota [Mr. LANGER]. Section 6 of article I clearly has no reference to questioning a former Senator under the circumstances in this case when such an examination was requested. I wish to read from the annotated Constitution. Under the heading "Privilege of speech or debate," under the general heading "Rights of Members," we find the following:

> These privileges are granted not with the intention of protecting the Members against prosecutions for their own benefit, but to support the rights of the people, by enabling their representatives to execute the functions of their office without fear of prosecutions, civil or criminal.
>
> *Coffin* v. *Coffin* (4 Mass. 1 (1808)), referred to with approval in *Kilbourn* v. *Thompson* (103 U. S., 168, 204 (1881)).

I did not have time to examine those two cases in detail; but it has always been my understanding that the law was clear, that questioning "in any other place" meant that the Member was not liable and could not be prosecuted, either civilly or criminally, for his remarks, his votes, or any of his actions in the Senate. There was no attempt to do that in the case of Judge Minton.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Oregon [Mr. MORSE] to recommit the nomination to the Committee on the Judiciary with instructions.

Mr. MORSE. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. CORDON (when his name was called). I have a pair with the Senator from Nebraska [Mr. BUTLER]. I transfer that pair to the Senator from Maine [Mrs. SMITH], and will vote. I vote "yea."

The roll call was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Maryland [Mr. O'CONOR] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senator from Iowa [Mr. GILLETTE], the Senator from Idaho [Mr. MILLER], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Delaware [Mr. FREAR], the Senator from North Carolina [Mr. HOEY] the Senator from Rhode Island [Mr. LEAHY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

On this vote, the Senator from Utah [Mr. THOMAS], who would vote "nay," if present, is paired with the Senator from New York [Mr. DULLES], who would vote "yea," if present.

I announce further that if present and voting, the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from North Carolina [Mr. HOEY], the Senator from Rhode Island [Mr. LEAHY], the Senator from Idaho [Mr. MILLER], the Senator from Maryland [Mr. O'CONOR], and the Senator from Alabama [Mr. SPARKMAN] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER], who is absent by leave of the Senate because of illness in his family, is paired with the Senator from Ohio [Mr. TAFT], who is necessarily absent. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Ohio would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent on official business, by leave of the Senate.

The Senator from Ohio [Mr. BRICKER] and the Senator from California [Mr. KNOWLAND] are absent on official business.

The Senator from Maine [Mrs. SMITH] is paired with the Senator from Nebraska [Mr. BUTLER]. If present and voting, the Senator from Maine would vote "nay," and the Senator from Nebraska would vote "yea." Both Senators are detained on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

The Senator from New York [Mr. DULLES], who is absent by leave of the Senate, is paired with the Senator from Utah [Mr. THOMAS]. If present and voting, the Senator from New York would vote "yea," and the Senator from Utah would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent.

The result was announced—yeas 21, nays 45, as follows:

YEAS—21

Baldwin	Hendrickson	Mundt
Byrd	Hickenlooper	Robertson
Cain	Ives	Schoeppel
Cordon	Kem	Thye
Donnell	McCarthy	Watkins
Ecton	Millikin	Wherry
Ferguson	Morse	Williams

NAYS—45

Aiken	Gurney	Langer
Anderson	Hayden	Lodge
Capehart	Hill	Long
Chapman	Holland	Lucas
Connally	Humphrey	McFarland
Douglas	Hunt	McKellar
Downey	Johnson, Colo.	McMahon
Eastland	Johnson, Tex.	Magnuson
Flanders	Johnston, S. C.	Malone
George	Kefauver	Maybank
Graham	Kerr	Murray
Green	Kilgore	Myers

Neely	Russell	Taylor
O'Mahoney	Saltonstall	Thomas, Okla.
Pepper	Stennis	Wiley

NOT VOTING—30

Brewster	Hoey	Smith, Maine
Bricker	Jenner	Smith, N. J.
Bridges	Knowland	Sparkman
Butler	Leahy	Taft
Chavez	McCarran	Thomas, Utah
Dulles	McClellan	Tobey
Ellender	Martin	Tydings
Frear	Miller	Vandenberg
Fulbright	O'Conor	Withers
Gillette	Reed	Young

So the motion to recommit the nomination was rejected.

The VICE PRESIDENT. The question now is, Will the Senate advise and consent to the nomination of Sherman Minto, of Indiana, to be Associate Justice of the Supreme Court of the United States?

Mr. LUCAS and other Senators asked for the yeas and nays, the yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. CORDON (when his name was called). I have a pair with the senior Senator from Nebraska [Mr. BUTLER]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Maryland [Mr. O'CONOR] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of a death in his family.

The Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senator from Iowa [Mr. GILLETTE], the Senator from Idaho [Mr. MILLER], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Delaware [Mr. FREAR], the Senator from North Carolina [Mr. HOEY], the Senator from Rhode Island [Mr. LEAHY] the Senator from Alabama [Mr. SPARKMAN], and the Senator from Kentucky [Mr. WITHERS] are absent on public business.

The Senator from Nevada [Mr. MCCARRAN] and the Senator from Maryland [Mr. TYDINGS] are absent by leave of the Senate on official business.

On this vote, the Senator from Utah [Mr. THOMAS], who would vote "yea," if present, is paired with the Senator from New York [Mr. DULLES], who would vote "nay," if present.

I announce further that if present and voting, the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from North Carolina [Mr. HOEY], the Senator from Rhode Island [Mr. LEAHY], the Senator from Idaho [Mr. MILLER], the Senator from Maryland [Mr. O'CONOR], and the Senator from Alabama [Mr. SPARKMAN] who would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Kansas [Mr. REED], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER], who is absent by leave of the Senate because of illness in his family, is paired with the Senator from Ohio [Mr. TAFT], who is necessarily absent. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Ohio would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent on official business with leave of the Senate.

The Senator from Ohio [Mr. BRICKER] and the Senator from California [Mr. KNOWLAND] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Nevada [Mr. MALONE], the Senator from North Dakota [Mr. YOUNG], and the Senator from Maine [Mrs. SMITH] are detained on official business. If present and voting, the Senator from Maine [Mrs. SMITH] would vote "yea."

The Senator from New York [Mr. DULLES], who is absent by leave of the Senate, is paired with the Senator from Utah [Mr. THOMAS]. If present and voting, the Senator from New York would vote "nay," and the Senator from Utah would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent.

The Senator from Nebraska [Mr. BUTLER] is detained on official business. His pair has been previously announced by the Senator from Oregon [Mr. CORDON].

The result was announced—yeas 48, nays 16, as follows:

YEAS—48

Aiken	Holland	Magnuson
Anderson	Humphrey	Maybank
Baldwin	Hunt	Millikin
Capehart	Johnson, Colo.	Morse
Chapman	Johnson, Tex.	Murray
Connally	Johnston, S. C.	Myers
Douglas	Kefauver	Neely
Downey	Kerr	O'Mahoney
Eastland	Kilgore	Pepper
Flanders	Langer	Russell
George	Lodge	Saltonstall
Graham	Long	Stennis
Green	Lucas	Taylor
Gurney	McFarland	Thomas, Okla.
Hayden	McKellar	Thye
Hill	McMahon	Wiley

NAYS—16

Byrd	Hickenlooper	Schoeppel
Cain	Ives	Watkins
Donnell	Kem	Wherry
Ecton	McCarthy	Williams
Ferguson	Mundt	
Hendrickson	Robertson	

NOT VOTING—32

Brewster	Hoey	Smith, Maine
Bricker	Jenner	Smith, N. J.
Bridges	Knowland	Sparkman
Butler	Leahy	Taft
Chavez	McCarran	Thomas, Utah
Cordon	McClellan	Tobey
Dulles	Malone	Tydings
Ellender	Martin	Vandenberg
Frear	Miller	Withers
Fulbright	O'Conor	Young
Gillette	Reed	

So the Senate advised and consented to the nomination.

The VICE PRESIDENT. Without objection, the President will be notified forthwith of the confirmation of the nomination.

RURAL TELEPHONES

Mr. LUCAS. Mr. President, as in legislative session, I move that the Senate proceed to the consideration of the bill (H. R. 2960) to amend the Rural Electrification Act to provide for rural telephones, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 2960) to amend the Rural Electrification Act to provide for rural telephones, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

THE AMERICAN MERCHANT MARINE—RESOLUTION OF VETERANS OF FOREIGN WARS

Mr. MAGNUSON. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD a resolution adopted by the Veterans of Foreign Wars, in convention assembled at Miami, Fla., August 25, 1949, relating to the American Merchant Marine.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

RESOLUTION 423

Whereas it is necessary for the national security and development of its foreign and domestic commerce that the United States shall have a merchant marine sufficient to carry all of its domestic water-borne commerce and at least one-half of its exports and imports, backed by a fleet of modern passenger vessels which can be converted to naval auxiliaries and troop transports in event of emergency; and

Whereas our present American merchant marine is not sufficiently well balanced to serve the needs of our national security, and our commerce: Now, therefore, be it

Resolved by the Fiftieth Annual Convention of the Veterans of Foreign Wars, That it urge:

ENCOURAGE PRIVATE INDUSTRY

1. That the United States Government adopt a sound and continuous policy which will encourage private industry to construct, maintain, and operate American merchant ships adequate to meet the needs of our domestic and foreign commerce and necessary to meet the national security requirements of the Nation.

2. That Congress make sufficient funds available to preserve and maintain the National Defense Reserve Fleet to the end that it may be immediately available in event of emergency.

CARGOES FOR AMERICAN SHIPS

3. That as a national policy American-flag ships should carry at least one-half of the Nation's foreign trade including all grants-in-aid and goods and services financed by taxpayers' funds and shipped abroad or purchased overseas.

4. That the merchant shipping of Germany and Japan be limited to an extent consistent with their domestic economic recovery, and that neither again be allowed to threaten the peace.

PREVENT DISCRIMINATIONS ABROAD

5. That the Government take such action as will guarantee fair and equitable treatment of American ships in foreign ports in handling international commerce, free from discriminations of all character as is already provided foreign merchant ships in American ports.

6. That the Government recognize the national defense value of the Panama Canal, and that private commercial shipping of all nations be charged only such tolls as reflect the actual operating costs of transiting such vessels.

7. That the Government take action to remove and/or remedy discriminatory practices and unfair and noncompensatory rate

schedules by other forms of transportation which presently are prohibiting the full re-establishment of domestic shipping.

RECESS

Mr. LUCAS. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 11 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, October 5, 1949, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate October 4 (legislative day of September 3), 1949:

SUPREME COURT OF THE UNITED STATES

Sherman Minton to be Associate Justice of the Supreme Court of the United States.

HOUSE OF REPRESENTATIVES

TUESDAY, OCTOBER 4, 1949

The House met at 12 o'clock noon.

Dr. C. E. Matthews, secretary of evangelism, Home Mission Board of the Southern Baptist Convention, offered the following prayer:

Our heavenly Father, it is with deepest gratitude in our hearts for Thy mercy to us, and with the sincerest humility that we are capable of, that we approach Thy throne of grace today.

We recognize the fact that we not only stand in the presence of an august assembly of people but that we are in the holy presence of the One who spoke the worlds into existence, who holds the destiny of nations in His hand and who shall someday judge all men without regard to race or color.

Because of Thy power and ability to supply all the needs of mankind regardless of conditions or circumstances, we earnestly beseech Thee now to give wisdom, health, and moral courage to those who are in authority in this Nation and to all who are trusted servants of the people.

In these testing times, help that the decisions on the part of leaders of all nations that affect the peace of the world be made in the fear of God and for the welfare of humanity the world over.

These blessings we ask in the name of Christ our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate insists upon its amendments to the bill (H. R. 1437) entitled "An act to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. CHAPMAN, Mr. JOHNSON of Texas, Mr. GURNEY, and Mr. SALTONSTALL to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 5332) entitled "An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. WILLIAMS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1407) entitled "An act to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes."

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit today during general debate on the bill H. R. 6000.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, what bill is the committee considering?

Mr. SPENCE. We are considering the bill that guarantees foreign investments.

Mr. MILLER of Nebraska. Mr. Speaker, I object.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

WADE H. NOLAND

The Clerk called the first bill on the Private Calendar, H. R. 2854, for the relief of Wade H. Noland.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Wade H. Noland, Waynesville, N. C., the sum of $145.50, in full settlement of all claims against the United States for services rendered as United States commissioner, western district of North Carolina, during the quarters ending October 31, 1946, and January 31, 1947, but not paid because the account covering such services was not rendered within the time prescribed by law: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERNEST J. JENKINS

The Clerk called the bill (S. 377) for the relief of Ernest J. Jenkins.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

WIDOW OF ROBERT V. HOLLAND

The Clerk called the bill (S. 1834) for the relief of the widow of Robert V. Holland.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Air Force shall cause to be paid, out of funds appropriated for pay of the Air Force current at the time of payment, to the widow of Robert V. Holland (ASN O–32325), late a major in the United States Air Force, who died on December 5, 1947, such sum as would otherwise have been paid to said widow as a death gratuity under the act of December 17, 1919, as amended (U. S. C., title 10, sec. 903), had the said Robert V. Holland died while in a pay status and while holding the rank of major on the date of his death.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SEAMAN SECOND CLASS JOSEPH T. SYPKO

The Clerk called the bill (H. R. 2087) for the relief of S2c Joseph T. Sypko.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $412.50 to S2c Joseph T. Sypko in full settlement of all claims against the United States for allowances in lieu of quarters for the period from February 7, 1944, to January 1, 1946, while serving as seaman second class in the United States Navy.

With the following committee amendments:

Page 1, line 6, strike out "Seaman Second Class."

Page 1, line 9, strike out "as seaman second class."

Page 1, line 10, after the word "Navy:", insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Joseph T. Sypko."

A motion to reconsider was laid on the table.

PATENT TO PAUL HIGH HORSE AND ANNA HIGH HORSE

The Clerk called the bill (H. R. 2919) authorizing the issuance of a patent in

fee to Paul High Horse and Anna High Horse.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Paul High Horse and Anna High Horse, of Wanblee, S. Dak., a patent in fee to the following-described land situated on the Rosebud Indian Reservation in the State of South Dakota: Allotment No. 6902, northwest quarter, section 24, township 36 north, range 25 west, of the sixth principal meridian, South Dakota, containing 160 acres.

With the following committee amendment:

Page 1, line 10, after the word "acres:", insert: "*Provided*, That when the land herein described is offered for sale, the Rosebud Sioux Tribe of Indians of the Rosebud Reservation of South Dakota, or any Indian who is a member of said tribe, shall have 90 days in which to execute preferential rights to purchase said tract at a price offered the seller by a prospective buyer willing and able to purchase."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATENT TO JESSIE AMERICAN HORSE

The Clerk called the bill (H. R. 5105) authorizing the issuance of a patent in fee to Jessie American Horse.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Jessie American Horse, of Kyle, S. Dak., a patent in fee to the following described land situated on the Pine Ridge Indian Reservation in the State of South Dakota: Allotment No. 645, south half, section 2, township 37 north, range 41 west, of the sixth principal meridian, South Dakota, containing 320 acres.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Interior is hereby authorized and directed to sell the trust allotment No. 645 of Returns Warrior, deceased Pine Ridge allottee, described as the south half of section 2, township 37 north, range 41 west, sixth principal meridian, South Dakota, containing 320 acres, conveyance to be made by deed or the issuance of a patent in fee to the purchaser and to disburse the proceeds of such sale to Jessie American Horse for her benefit."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the sale of certain allotted inherited land on the Pine Ridge Reservation, S. Dak."

A motion to reconsider was laid on the table.

CANADIAN-BUILT VESSEL "NORTH WIND"

The Clerk called the bill (H. R. 3605) to provide for the documentation of the Canadian-built vessel *North Wind*, owned by a citizen of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioner of Customs is authorized and directed to cause to be documented under the laws of the United States the Canadian-built vessel *North Wind*, bearing Coast Guard motorboat identification No. 10F1350, and owned by Joseph F. Kutis, a citizen of the United States, in order that such boat may be operated as a commercial fishing vessel.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That concludes the bills eligible for call on the Private Calendar.

SOCIAL SECURITY ACT AMENDMENTS OF 1949

Mr. SABATH. Mr. Speaker, I call up House Resolution 372 and ask for its immediate consideration.

CALL OF THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 213]

Abbitt	Gregory	Norblad
Bailey	Hall,	Norton
Barden	Edwin Arthur	O'Hara, Minn.
Baring	Hall,	O'Neill
Bland	Leonard W.	Patman
Blatnik	Hardy	Pfeifer,
Bolton, Md.	Harrison	Joseph L.
Bolton, Ohio	Harvey	Pfeiffer,
Bonner	Hays, Ohio	William L.
Bosone	Hébert	Phillips, Calif.
Bramblett	Heffernan	Poage
Brehm	Hinshaw	Powell
Buckley, N. Y.	Huber	Reed, Ill.
Bulwinkle	Irving	Reed, N. Y.
Burnside	Jackson, Calif.	Rhodes
Byrne, N. Y.	Javits	Ribicoff
Carlyle	Jennings	Richards
Chatham	Jonas	Riehlman
Chudoff	Jones, N. C.	Roosevelt
Cole, N. Y.	Keating	Scott,
Cooley	Keogh	Hugh D., Jr.
Coudert	Kilburn	Smathers
Crosser	Klein	Smith, Ohio
Davies, N. Y.	Kunkel	Staggers
Deane	Larcade	Stanley
Dingell	Lovre	Stockman
Donohue	McConnell	Tauriello
Douglas	McMillan, S. C.	Taylor
Elston	McMillen, Ill.	Thomas, N. J.
Engle, Calif.	McSweeney	Towe
Feighan	Mack, Ill.	Underwood
Fellows	Mansfield	Wadsworth
Fernandez	Merrow	Walter
Furcolo	Miller, Calif.	Whitaker
Garmatz	Miller, Md.	Whitten
Gary	Morrison	Willis
Gilmer	Morton	Withrow
Gorski, N. Y.	Multer	Woodhouse
Granahan	Murphy	Worley
Green	Nelson	

The SPEAKER. On this roll call 311 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FILIPINO REHABILITATION COMMISSION

The SPEAKER. Pursuant to the provisions of Public Law 381, Seventy-eighth Congress, the Chair appoints as a member of the Filipino Rehabilitation Commission the gentleman from Michigan [Mr. CRAWFORD] to fill the existing vacancy thereon.

TERRITORIAL EXPANSION MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of Public Resolution 32, Seventy-third Congress, the Chair appoints as a member of the United States Territorial Expansion Memorial Commission the gentleman from California [Mr. WHITE] to fill the existing vacancy thereon.

SOCIAL SECURITY ACT AMENDMENTS OF 1949

The SPEAKER. The Clerk will report the resolution offered by the gentleman from Illinois [Mr. SABATH].

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 4 days, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by the direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Illinois [Mr. SABATH] is recognized for 1 hour.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. This rule makes in order H. R. 6000, the social security bill amendments, which both parties have endorsed. It is a closed rule providing for not to exceed 4 days general debate and waives all points of order. Only the Committee on Ways and Means has the right under this rule to offer amendments.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. MICHENER. This is a short rule. All it does is to permit the House to talk for 4 days and then do nothing about it. Is that right?

Mr. SABATH. Oh, no. I differ with the gentleman. The House will have plenty of opportunity to do something about it, as I shall point out later. I concede it is a closed rule, and I presume some of the gentlemen on the other side will say, "You have been opposed to closed rules." I admit that I opposed closed rules, but this was before I became well informed as to the activities and procedures of the House. However, since I have acquired greater knowledge on legislation in the interest of the people and the country as the years went by, I concluded that sometimes it is necessary on important legislation such as this and on tariff and revenue measures to bring in a closed rule. Yes; I shall oppose closed rules again whenever they do not provide for legislation in the best interest of the people and the country, as you Republicans usually bring in. As I shall point out, if I may proceed without interruption, without a closed rule the orderly procedure of the House would be jeopardized.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I am indeed sorry but I do not have the time.

Mr. BROWN of Ohio. The gentleman will yield to me, will he not?

Mr. SABATH. Yes, I yield.

Mr. BROWN of Ohio. What the gentleman is trying to tell the House is that for the first 40 years of his service he opposed gag rules, and the last 2 years he has been in favor of them.

Mr. SABATH. The gentleman is again wrong as it is very easy for him to be wrong——

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I wish I could yield to everybody but I do not have the time.

Mr. Speaker, lest I forget, I wish to state that I am indeed proud of my Democratic colleagues, Chairman DOUGHTON of the Ways and Means Committee, Mr. COOPER, Judge MILLS, and Mr. CAMP, because never before have I witnessed such an able presentation by a committee on behalf of a rule. Nearly every provision in the bill was thoroughly and intelligently explained. Every query propounded to these gentlemen was answered most satisfactorily—and there were many, especially on the part of the gentleman from Ohio [Mr. BROWN], and others.

The bill will extend and improve the Federal Old-Age and Survivors Insurance System and amend the public assistance and child welfare provisions of the Social Security Act. It consists of 201 complicated pages. The Ways and Means Committee devoted nearly 6 months of tireless effort, toil, study, and consideration to this bill, hearing over 250 witnesses both for and against. The bill was reported by the Ways and Means Committee by a vote of 22 to 3. I as well as the majority of the Committee on Rules believed that such effort, study, and consideration, placed the Ways and Means Committee in the best position to determine the type of rule that would be required. The able chairman of the Ways and Means Committee, the gentleman from North Carolina [Mr. DOUGHTON], was instructed by his committee to request a closed rule which the Committee on Rules finally reported. For years tariff and other complicated revenue bills emanating from the Ways and Means Committee always were considered by the House under a closed rule. During the hearings before my committee it was contended that some Members have amendments that they would like to offer and under a closed rule they would be precluded. As a matter of fact, my colleague from Illinois [Mr. MASON] said he would personally like to offer some 40 or 50 amendments to this bill. Now then if only one-tenth of the Members offered one-tenth of the amendments that the gentleman from Illinois [Mr. MASON] would like to offer, we would have over 220 amendments, and if on the average, each amendment offered had two Members making 5-minute speeches for and against—that being 20 minutes on each amendment—almost 4,400 minutes or months of time would be consumed thereon. Is any nonmember of the Ways and Means Committee so conceited and vain to believe that he would be in a better position, without having the advantage of 6 months of hearings and deliberations, to improve the bill? Surely, I doubt whether this is possible.

Certainly this is not a perfect bill; it is rather a compromise bill, as is all legislation. Personally, I would like to see the bill broadened so as to include some of the exclusions made by the Ways and Means Committee. All things being equal, however, the Ways and Means Committee, under the very able leadership of Chairman DOUGHTON, did a splendid job on their difficult and arduous task and deserve the praise and gratitude of the House and the country.

Mr. Speaker, my Republican friends and particularly the gentleman from Michigan [Mr. MICHENER], contend that they will have no opportunity to register their views under this rule. On the contrary they will have four chances to vote, namely: First, on the previous question; second, on the rule, and those who are desirous of seeing the bill killed can vote against the rule; third, again, those opposed to social security can vote to recommit and if they fail, and I hope they will; fourth, they can vote against the bill.

Answering the gentleman from Ohio [Mr. BROWN], who complained about a closed rule, the chairman of the Committee on Ways and Means, the gentleman from North Carolina [Mr. DOUGHTON], made a statement before the Rules Committee on October 1, pointing out the record of the two parties on this legislation.

Mr. DOUGHTON stressed his deep interest in this legislation since 1935, and pointed out that nothing was done in amending the Social Security Act from 1939 to 1946 because the Congress was dealing with far more important problems, namely, the war. When the Republicans took over control of Congress in January 1947, it was not until June 1948, the second session of the Eightieth Congress, that they gave any consideration to social security and this was 18 days before final adjournment when they reported a bill upon which no hearings were held because it was not considered important enough to hold hearings. In the Eighty-first Congress, however, under Democratic control, we introduced two bills as the basis for study during the second month of this session.

I wish to point out further that on the very day the bill was reported by the Republican Eightieth Congress in June 1948, Mr. REED went before the Committee on Rules of which I was ranking minority member, requesting a closed rule—a closer rule than in the present instance.

Here is the rule Mr. REED requested at that time:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6777, to extend the coverage of the old-age and survivors insurance system, to increase certain benefits payable under such system, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

No one can justly deny the facts presented by the gentleman from North Carolina, Chairman DOUGHTON. All this proves that the action of the majority surely is more liberal and democratic than the action taken when the Republicans were in control, unfortunately, in the Seventy-first Congress and in the years before.

Consequently, I feel that the attack and opposition to this rule and the bill which will be forthcoming on the part of the Republicans, is purely for political purposes so as to mislead the people of our country. Notwithstanding that they claim they are for the bill, their acts belie the facts. The opposition will tell you that more time should have been given to consideration of this bill and its subject matter on the part of the

Members and their constituents. Personally, I feel that if all the Members of the House, who are not instructed for political reasons to oppose this legislation, had an opportunity to observe the sincerity and hear the testimony of Chairman DOUGHTON, Mr. COOPER, Judge MILLS, and Mr. CAMP, they would be thoroughly satisfied that this bill and every provision contained therein has been carefully considered and sufficient justification for every provision was made before the committee reported out the bill.

Mr. Speaker, as I said before, this rule should and will be adopted in order to insure orderly procedure and it will, at the same time, give the country and the Senate sufficient additional time to familiarize themselves more thoroughly with the bill and resultant approval when the Senate meets next session.

As a matter of fact, the bill, H. R. 6000, was reported on August 22, 1949, and the report was available on August 23, 1949. Copies have been available to each and every Member of the House. The gentleman from North Carolina, Chairman DOUGHTON, issued a press release on August 15, 1949, setting forth in detail all the provisions of the bill, and which press release was embodied in the CONGRESSIONAL RECORD for the information of the Members and the country. Therefore, Mr. Speaker, none can claim or justly maintain that they had insufficient time to familiarize themselves with the bill and its provisions.

I fully appreciate the fact that the life-insurance companies have been busy with their propaganda and lobby efforts in an attempt to defeat this bill. They are not satisfied with over $55,000,000,000 worth of assets and the fact that they have outstanding over 193,100,000 policies with a face value of $207,000,000,000. Notwithstanding this, they still oppose this worth-while legislation which the people demand. The average life expectancy has increased considerably, yet the premiums have not decreased proportionately. It took the American life insurance companies almost 50 years to adopt a new experience of mortality in revising rates.

Mr. Speaker, the record is very clear that private insurance companies have not accepted their responsibilities in providing the benefits outlined in this bill. It becomes clearly the responsibility of the Government so to do.

Mr. Speaker, on March 28, 1912, I was privileged to introduce a resolution in the Sixty-second Congress, House Joint Resolution 283, which was for the purpose of creating a committee to investigate the various systems of old-age pensions and annuities in the hope that favorable action would be obtained in the then very near future. I take the liberty of inserting at this point:

[H. J. Res. 283, 62d Cong., 2d sess.]

Joint resolution for the appointment of a committee to investigate the various systems of old-age pensions and annuities

Resolved, etc., That a joint committee be, and it is hereby created, consisting of three Members of the Senate to be appointed by the President of the Senate and three Members of the House of Representatives to be elected by the House, for the purpose of making a thorough investigation of the subject of old-age pensions and annuities, said committee to submit a report to the Congress of the United States not later than December first, nineteen hundred and thirteen.

SEC. 2. That to carry out the purpose of this resolution the committee hereby created is authorized to employ persons who are familiar with the subject and to take such other steps as are necessary to make a thorough examination into the matter.

SEC. 3. That all expenses of said committee, for all time in which said committee shall be actually engaged in this investigation shall be paid, out of any funds in the Treasury of the United States not otherwise appropriated, on a certificate of the chairman of said committee, who shall be selected from the membership of the committee named under this resolution, and the sum necessary for carrying out the provisions of this resolution is hereby appropriated: *Provided*, That the total expenses authorized by this resolution shall not exceed the sum of $15,000.

SEC. 4. That any vacancy occurring on said committee shall be filled in the same manner as the original appointments were made.

SEC. 5. That to carry out and give effect to the provisions of this resolution the committee hereby created shall have power to issue subpenas, administer oaths, summon witnesses, require the production of books and papers, and receive testimony taken before any proper officer in any State or Territory of the United States.

This subject is very close to my heart, and I naturally am interested in the bill before us which broadens the Social Security Act passed by us in 1935 and amended in 1939. I hope that in the next session and in future Congresses we can still further broaden the benefits and scope of the Social Security Act so as to include everyone.

I am confident that the rule will be adopted and the bill will be passed.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 5 minutes.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I am amazed and deeply grieved to see the dean of the House, the chairman of the important Committee on Rules [Mr. SABATH], known for more than four decades as a great liberal, come into the House and sponsor one of the most reactionary pieces of legislation which has ever been presented to this body—a closed rule or a gag rule on an important piece of legislation in which will be fixed public policy in perpetuity, or for as long as this Government stands. I am amazed, chagrined, and grieved that a man of his reputation as a liberal, and others who are supporting him, would come to this House and say to you Members "We cannot trust you; we cannot accept your judgment on this important legislation; we cannot permit you to pass upon the public policies of this country; instead, we must insist that you accept a gag which will require you to vote for or against this legislation in its entirety; that you must either be branded as opposed to all social security or you must accept many of the provisions of this bill which are, indeed, questionable."

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I am sorry; I cannot yield.

You say that 15 men, a bare majority of the Committee on Ways and Means, must do the thinking for this great House of Representatives, that we must pass this legislation quickly and hurriedly; and then if any errors are found after it goes over to the Senate, where they tell frankly that it will not be considered until January, February, March, April, May, June, or July—only the Lord knows when—that if any mistakes are found, the Senate can correct them.

I believe the Members of this House want the right kind of social-security legislation, and I also believe that the membership of this House has the judgment and the wisdom to pass a good social-security bill. I believe there is a recognition among all of us that if we make a mistake on this bill the result may easily be the wreckage of the whole Social Security System, or bankruptcy for our National Treasury. So we want to be sure as to what we do here.

Some talk about the use of gag rules before. Mr. Speaker, the original Social Security Act which was passed in 1935 was considered under an open rule. Oh, that was a great legislative body back in 1935; you could trust the Members of the House of that day to use good judgment in passing upon an important bill. And then in 1939 when the legislation was amended it was considered under an open rule. The House of that day was also a great legislative body, with men of responsibility and judgment. You could trust them to legislate. Then in 1946 again the Social Security Act was amended under an open rule—by another great legislature. The men and women of the House in 1946 could be trusted to work their will, for they were men and women of sound judgment, sufficient to pass upon policies of the Government at that time. But not in this Congress.

In the Eightieth Congress there was a piece of legislation providing certain amendments to the Social Security Act which had been reported, if you please, by the unanimous vote of the Committee on Ways and Means. There was no opposition at all to that bill. It was taken up under suspension of the rules, and there was no real opposition to it. Everyone supported the bill. There was no question of public policy involved, and there were no basic fundamental concepts of the Government's responsibilities to the people involved in that legislation.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself two additional minutes.

Mr. Speaker, in this case, however, we are being told, despite the fact the great Committee on Ways and Means of this House worked for 6 months in considering this legislation, 4 months of which were in executive session where the rest of us did not know what was going on, that we cannot be given time to read or study the bill or discuss it with our constituents, and that the American people

generally should not be given time to consider it. We are told that we must accept this bill as is under a gag rule, and, as in the days of the German Reichstag, we sit here and just vote "ja."

Mr. Speaker, it will be a sad day for the United States of America and for representative government in this country and elsewhere when you bind and gag this House, the most deliberative body in the world, under a rule like this which will not permit us to even pass upon the questions of policy involved in a bill of the utmost importance to the people and to the economy of this Nation.

The SPEAKER pro tempore. The time of the gentleman from Ohio has again expired.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, it is rather interesting and amusing to watch the outward indignation of my good friend from Ohio [Mr. BROWN]. Last year as a member of the Committee on Rules the gentleman from Ohio voted for the same kind of a rule. Now he protests against the same kind of a rule when a Democratic controlled Rules Committee reports its out.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield for a question?

Mr. McCORMACK. The gentleman would not yield to me.

Mr. BROWN of Ohio. I mean for a correction.

Mr. McCORMACK. I yield to the gentleman.

Mr. BROWN of Ohio. I would like to correct the gentleman and say that I was not in Washington and did not participate in the meeting of the Rules Committee and did not vote for that rule. I happened to be up in Philadelphia trying to save the country by endeavoring to get the right kind of a candidate for President.

Mr. McCORMACK. If the gentleman had been here would he have voted in the Rules Committee for that rule?

Mr. BROWN of Ohio. I would have probably done the same thing the gentleman did; I would have supported the legislation under suspension of the rules.

Mr. McCORMACK. And would have voted for the gag rule. So the argument of the gentleman from Ohio falls to the ground because he is completely inconsistent.

Last year both the Democrats and Republicans of the Committee on Ways and Means asked for the closed rule. It was unanimous last year. There was no partisan fight made last year. We did not fight the closed rule, because we recogized that in legislation of this kind there is a practical situation that confronts the House and this type of legislation is an exception to the general rule of bringing legislation up under the regular rules of the House. But after the rule was reported out, not content with bringing it up under a closed rule, with both parties in agreement, and preserving to the Democratic Party its inherent right to a motion to recommit, the purpose of which is to enable the minority party to establish its record for the country, the Republican leadership brought that bill up under suspension of the rules in 1948.

When my friend from Ohio talks about putting anybody behind the eight ball, certainly that was putting this House behind the eight ball: an agreement was made for a closed rule in the committee, a rule was reported out, it reserved the right to recommit, and then the Republicans took it away from us Democrats under suspension of the rules. That is one thing the Democratic Party has never done, and it is one thing that the Democratic Party would never sink to a political low to do. What about the housing bill last year? The Republicans reported that out. Did they give us even a closed rule, reserving to the Democrats the right to recommittal, which we are doing in this rule? No. They brought it up under suspension of the rules because they knew if they brought it up even under a closed rule, with a motion to recommit, we would have put public and low-cost housing in there, and they knew that they could not have controlled their own membership, and a motion to recommit would have carried.

So, the talk of the gentleman from Ohio is just outward. Inwardly he knows that he is talking inconsistent with his own expressions.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, now that we have gotten through with a lot of oratory, I hope we will get down to the serious aspects of this situation, because it is serious. We are considering one of the most important pieces of legislation that any Congress has ever been called upon to consider. It involves more than 50,000,000 of our people and their families.

Let us just for a minute trace the origin and the genesis of this proposed legislation. This proposed legislation came up to the House of Representatives in two bills. They were not prepared by any member of the Committee on Ways and Means. Who prepared them? I cannot tell you who prepared it, but I think it is safe to say that Mr. Altmeyer prepared it. He no doubt prepared it and sent up two bills. They were H. R. 2892 and H. R. 2893. He expected them to be considered by the committee as two bills. There is no doubt about that. And that is the way that they were considered. One of them was a bill that took care of public assistance, such as old-age pensions, and the blind, and the dependent children, but this other one took care of what we call old-age and survivors' insurance. Now, the committee sat for 6 months considering these two bills. They considered them separately, but when the time came to present them to the House the Democrat members of the committee combined them for no other reason than to take the old-age pension and the blind pension and add those to the other bill to make it more palatable, so that the Members of this House would have to take the bad features of the bill in order to get the good features.

It has been said on this floor today that this bill is in the same category as the Reed bill of last year. This is not accurate. There is no comparison with it. As to the Reed bill of last year, the Committee on Ways and Means, both Democrats and Republicans, as far as I know, unanimously agreed that we would recanvass this whole proposition and bring in some necessary amendments. The old-age people needed to be taken care of, as well as the blind people, and many other problems had arisen, and a subcommittee containing some of the best men on the Committee on Ways and Means was appointed. The subcommittee consisted of some of the finest men on both sides. What did they do? They did not indulge in any partisan politics of any kind. They brought forth a bill that everybody could agree with. Every Democrat and every Republican on the committee supported it. And, they went before the Committee on Rules near the end of the session. The session was about to close, and no doubt they wanted to bring up that bill and do something about it. Within a few days the session did close. We went before the Rules Committee to get a rule, and everybody agreed, and there was not a Democrat there to dispute it that I know of, except one who objected, I think, because he wanted a more liberal bill than the Reed bill. After the rule was voted out by the Rules Committee it was never called up for consideration by the House.

It was not necessary. We decided that the Reed bill was so popular that it would carry through on a suspension of the rules on a two-thirds vote. Who was there to object on a two-thirds vote? Who stood up on the Democratic side and opposed the Reed bill, on a two-thirds vote? Nobody did. They were, no doubt, present and agreed to this procedure. The bill passed, as I remember, by a vote of more than 200 to 2. There were only two opposed to it.

Heretofore it has been the custom, and a lot of you Members have never liked it, for the Committee on Ways and Means to ask for a closed rule because they were purely tax bills. Some of you voted against all these gag rules. Some of you did not vote against them, but you felt in your heart that you should, because it really was not the American way to legislate. The Committee on Ways and Means has never, so far as I know, asked for a closed rule unless it was practically a unanimous matter or unless it was a tax matter or a tariff matter. This is not a tax matter, this is not basically a tax matter, it is a social-security matter. You take the provisions relating to the blind and the provision relating to old-age pensions and you throw them all in this one bill to make it popular enough so that you can pass something that Altmeyer wants to put over on you. That program is not a great deal short of the great welfare state we hear talked about so much. This gag rule is an intrusion on the rights of every Member of

this House. The laboring men have always stood up in their union meetings and advocated local autonomy. They want self-autonomy; they want the right to speak. Now you give them and all the other Members of this House 4 days to talk in general debate, but you do not give them the right to amend any portion of this bill. This is not right. In all my service I have never seen such brazen usurpation of the rights of Members of Congress. In effect, you say to every Member that unless you are a member of the Ways and Means Committee you do not count.

Mr. Speaker, every Member in this House represents a congressional district and no Member represents more than one district.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. Cox.]

Mr. COX. Mr. Speaker, in spite of my very great misgivings about this social-security bill, I can find no reason why I should oppose the request of the Committee on Ways and Means for a closed rule for its consideration. There is nothing extraordinary about the request of that committee and nothing unusual in the action of the Rules Committee. Most measures of a highly technical nature that come from the Ways and Means Committee are considered under a closed rule, and this is a technical and complicated bill.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Indiana.

Mr. HALLECK. Is it any more technical than exactly the same sort of bill that comes from the Committee on Interstate and Foreign Commerce covering railroad workers?

Mr. COX. I do not know that it is, but my faith in the soundness of the judgment of the Committee on Ways and Means was the basis of my going along and favoring a closed rule.

The law of the majority is the law that governs all human activity. The majority of the Committee on Ways and Means asked for this closed rule, and the Committee on Rules, in keeping with its record on similar matters, acceded to that request.

I have been a member of the Committee on Rules for a long time and I do not recall a single instance where the Committee on Ways and Means requested a rule of a particular type that the Committee on Rules did not accede to that request and accommodate the desire of the Ways and Means Committee.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Nebraska.

Mr. CURTIS. Does the gentleman believe we should extend social security, including total and permanent disability insurance, to the Virgin Islands and Puerto Rico, without the House of Representatives voting on that particular issue?

Mr. COX. Let me say in response to the gentleman that if I had been writing the bill or had participated in the preparation of the bill, I would have favored a measure of a different type in some particulars. But the Committee on Ways and Means requested this kind of rule in order to protect the integrity of the measure—a measure which the committee insists is a good bill.

Mr. Speaker, I have been a reasonably close follower of important debates in the House of Representatives and I want to say that in my long experience as a Member of this body I have never seen Members exhibit so fine an understanding of the questions at issue as was evidenced by the members of the Committee on Ways and Means who came before the Committee on Rules on the application for this rule.

The membership of this House will be richly compensated for the time they devote to sitting here and listening to the debate that will follow because, if the members of the Committee on Ways and Means measure up in any degree to the high standard set in their appearances before the Committee on Rules, it will be the finest debate that has been held in either House of Congress in many years.

The leadership in its judgment thought it well that this measure be considered under a closed rule. They are convinced that the Committee on Ways and Means in the 6 months of devoted study that it has given to the whole question has come up with a sound, conservative, and workable bill and for that reason thought it well that it be considered as an entity, and I think it well that it be considered at this time because, as was observed by the chairman of the Committee on Rules, it will give the country an opportunity to inform itself on all of its particular provisions and afford the Senate the benefit of public reaction by the time that consideration is had in that body.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Speaker, I have long been an advocate of broadening our old-age and survivors' insurance law and sharply increasing the benefits thereof. I introduced three bills for this purpose. I voted to report the bill H. R. 6000 to the House. I expect to vote for the bill on final passage.

However, there are many grave defects in the bill which ought to be corrected. Most of these are outlined in the views of the minority on page 157 of the committee report. Our recommendations are not unimportant. Our suggestion No. 2 will save the taxpayers of this country $800,000,000 annually. Our suggestion No. 9 will save the taxpayers over $1,000,000,000 annually. There are grave questions of policy which should be decided by the Congress itself. Certainly we should not have a gag rule and deny the Members of the House an opportunity to improve this bill.

Mr. Speaker, I yield back the balance of my time.

Mr. HOLMES. Mr. Speaker, I listened with a great deal of interest to the remarks of the distinguished chairman of the Rules Committee when he was presenting the resolution. If I remember correctly, he made the statement that the Republicans had nothing to offer in relation to this legislation. I would like to call the attention of the membership of the House to H. R. 6297, introduced by the gentleman from New Jersey [Mr. KEAN] as a basis of legislation which I think should be considered by the membership of the House. Hence I am against the gag rule, which permits no amendments. In the content of H. R. 6297 you will find some important suggestions and changes over and above the administration bill. This statement I make as an advocate of the broadening of social-security coverage and of increasing social-security benefits. I think it would be only right and just to have the will of the majority work itself in relation to this piece of legislation, as well as other amendments that may be offered, as well as the legislation contained in H. R. 6000. Being a member of the committee that worked some 28 weeks upon H. R. 6000, I hope that the membership of the House will pay close attention during the general debate on the bill to the suggestions made in the Kean bill, H. R. 6297.

The SPEAKER pro tempore. The time of the gentleman from Washington [Mr. HOLMES] has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. MCGREGOR].

Mr. MCGREGOR. Mr. Speaker, I am opposed to the resolution which is now before us for consideration, known as House Resolution 372, which certainly can be categoried as a gag rule. This resolution prevents any amendments being offered to the social-security bill, known as H. R. 6000.

I am of the opinion if we continue to follow the procedure of adopting gag rules, we will soon have dictatorship. We have 435 Members of this House of Representatives. Each of us has been elected by our respective districts to come to the Congress so that the people will have an opportunity to express their views through us as their Representatives. House Resolution 372 definitely hinders that orderly procedure. As it is drawn, we are not given the opportunity to submit, in the form of amendments, any suggestions or opinions that we might have. In other words, we have to accept H. R. 6000 as it is written and recommended by the Ways and Means Committee without the crossing of a "t" or the dotting of an "i". In my opinion, we are yielding our rights and prerogatives to the Ways and Means Committee of 25 members and by our actions state that their views are absolutely correct and should not be changed in any manner.

Mr. Speaker, this kind of action certainly is not a symbol of the freedoms for which many of us have fought. I have just finished conferences in my district and over 600 people came to the courthouses to express their views and many of them on the subject of social

security, and may I say, Mr. Speaker, many of their suggestions merit the consideration of this Congress. Yet, under this rule I am not allowed in the form of amendments to submit their views as well as my own for the consideration of this body.

I am going to vote against House Resolution 372 because I firmly believe it is the right of all of us, as Members of this Congress, to express on the floor of this House the suggestions, recommendations, and opinions of the people which it is our honor to represent.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I realize that what I may say here will not be too well received by many of my friends and colleagues on my right.

As a member of the Rules Committee I did not oppose bringing out this rule to which, in my heart, I was opposed, because I thought, out of deference to those who requested it, that the House should have an opportunity to pass upon that question.

I realize further that what I may say will have no effect upon the ultimate issue to be decided today. I am in favor of most of the provisions of this bill. I want to go further in some respects than the committee went, but regardless of what effect or what reaction may come from what I have to say, I do realize that I have to live with myself, and somewhere down the line a man has got to be a man and express his own honest convictions regardless of party affiliations and expediency.

It is said that this is the only way that you can consider this type of bill. I do not agree with that at all. Let me remind you that when the original social-security bill was brought out on the floor of the House in 1935 by a Democratic Party, it was brought out under an open rule. Again, when the Democratic Party was in power amendments to that bill were considered under an open rule. It is also said that the Republicans brought out an even worse gag rule in the Eightieth Congress. I do not deny that; I am inclined to affirm it. I think they were wrong, yet we are asked today to do another wrong to retaliate.

I do not want to see remain in this bill the provision about domestic servants. Every one of you is going to hear about this when you get home.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I am sorry. I will yield if the gentleman will yield me a little further time.

Mr. SABATH. I have not got it.

Mr. COLMER. Then, I am sorry but I cannot yield. I do not like that provision of the bill; I want an opportunity to strike it out. I do not like that provision of the bill which provides for the inclusion of Puerto Rico and the Virgin Islands into this system, a people who have possibly the lowest type of economy in the world, and yet, we would further burden our people by including them.

More than that, Mr. Speaker, we are legislating for the next 50 years or more, and yet we are not given an opportunity to dot an "i" or cross a "t." Mr. Speaker, I mentioned my objection to the provision for domestic servants and the inclusion of the peoples of the Virgin Islands and Puerto Rico. Under the provisions of our social-security system, these are some of the provisions of the bill that I, as a Member of Congress representing a section of these United States, would like to have an opportunity to strike from the bill, but which, if this rule is adopted, I will not have.

I am sure that this House could be trusted to write a fair bill expressing the judgment of a majority of its Members. As I pointed out a moment ago, this body was trusted on two previous occasions to write this type of legislation and did a pretty fair job. But we are told in effect that the majority of Members of the House cannot be trusted, that we must rely on the judgment of the members of the Ways and Means Committee and take it or leave it. The only other consolation offered us is that the other body will consider the bill next year and that over there, the Members of that body will have every opportunity to express themselves under the rules of unlimited debate that prevail there and that maybe they will improve the bill.

In other words, a Member of the Senate will have an opportunity to strike these objectionable features from the bill on the floor of that body or to offer an amendment that any Senator may see fit to offer. But the Members of the House, although sharing equal responsibility with the Members of the Senate, must gag themselves and take the bill as reported by the Ways and Means Committee or leave it. This just does not make good sense.

Therefore, Mr. Speaker, realizing as I do that my course of action is not the popular one to pursue here, I shall nevertheless, on my own responsibility as a representative of more than 350,000 people, vote against this rule. I cannot, feeling as keenly as I do about this matter, yield to expediency. I make no appeal to any of my colleagues to vote as I do. You will be guided by your own conscience as I shall. I prefer your confidence and respect to your approbation.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, I have confidence in the House of Representatives. Down through the years the great pieces of legislation that have stood out have been those measures that have been debated here on this floor where the great minds of this House have clashed and submitted the issue to you, the Representatives of the people. In the last Congress it was the Taft-Hartley Act, before that, the original Social-Security Act and Current Payment Tax Act—I am not going to take my time to enumerate them all now. Do not deceive yourselves, this is not a technical tax bill; you do not need to be a tax expert to decide whether or not social security, including disability insurance, should be extended to the Virgin Islands and Puerto Rico. It is not right to gag this House on issues that come here from the committee with a vote of 13 to 12.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. If the gentleman will give me some more time.

Mr. DOUGHTON. Cannot the Virgin Islands proposition be taken care of in a motion to recommit?

Mr. CURTIS. Not adequately.

Mr. DOUGHTON. Can you not debate that for 4 days?

Mr. CURTIS. Too many Members of this House consider a motion to recommit as a vote against the legislation.

If I wanted to take a political position I would vote for this closed rule. But we are voting for all time to come; the social-security law will go on, and on, and on, or it will bankrupt this Government. I know from where the dissatisfaction is going to come. The people of the country are not satisfied with what has been done about domestic servants and the coverage of many other groups. You Members who support a closed rule here are going to hear from them. I have a telegram from an osteopath living in a little town of less than a thousand people. He is not satisfied. He wants an amendment presented. The citizens do not like gag rules.

Mr. Speaker, every small-business man in the country is in jeopardy under this bill. Let some little business spring up, started by GI's, for instance, which sells its product to people all over the country, who in turn sell the product to the public; years later the Social Security Administrator and the Treasury may come along and say that all of those salesmen were employees of this business and must pay a tax. They may have to go back and pay a tax for many years, even though it may break that business. Such language ought to be corrected by amendment, but with this gag rule no corrections can be made.

You Members who support a closed rule are subjecting yourselves to the criticism of every little-business man in the country because of the definition of an employee carried in this bill.

The SPEAKER pro tempore. The time of the gentleman from Nebraska has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. CURTIS. Mr. Speaker, I do not worry about the big employers. They can take care of themselves. It is the little fellow you are kicking around here. I disagree with the gentleman from Georgia when he says that this House should not pass on the question of extending social security to the Virgin Islands and Puerto Rico, where the benefits may exceed the annual income of many of their people. The House should be allowed to vote on that issue.

Mr. Speaker, we are voting a program for all time to come. It is not right that

we have a gag rule in the consideration of such far-reaching legislation.

What are you going to say when you go back home as to why you put the grocer under the Social Security Act and left the editor of the local paper out?

That is not a complicated tax question. All this talk about this being such a complicated matter that you cannot trust the Members of the House, is not justified. Is there anyone who doubts that when you insure the health of the people of this country through permanent and total disability insurance you are making a definite new step in social security? Yet the gentlemen of the Rules Committee have recommended a gag rule which makes it impossible for the House to vote on that step.

Mr. Speaker, the injustices in our old-age-assistance program are not cured by this bill. Many of us want to vote for amendments that will help our old people, but we cannot under a gag rule. The criticism of this gag rule will not fall upon the Republicans. If you Democrats are interested in a sound social-security system, if you believe in this bill, open up your rule and defend it. You do not need to worry about the great chairman of this committee or the gentleman from Tennessee being able to defend anything that is sound and worthy of passage. You gentlemen on the Democratic side have the votes. Why not vote down the previous question and defeat the gag rule.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, the chairman and the members of the Ways and Means Committee are deserving of the highest commendation for the outstanding service they have rendered the Congress and the country in bringing to the floor of the House H. R. 6000. The members of the committee have devoted the major part of their time since Congress convened last January, holding open hearings and closed executive sessions to perfect this social-security bill consisting of 200 printed pages.

The provisions of this bill as it pertains to various phases of the highly involved social-security legislation, are the result of long days of study and deliberation by the members of the committee covering a period of over 6 months.

H. R. 6000 was voted favorably out of the Ways and Means Committee by 22 out of 25 of its members. On last Thursday, Friday, and Saturday, various members of this committee appeared before the Committee on Rules and gave comprehensive testimony regarding the numerous and intricate provisions set out in this bill. Chairman DOUGHTON, Congressmen COOPER, MILLS, CAMP, FORAND, and other members of this great committee presented lengthy and exhaustive opinions and revealing statements in explaining the contents of this bill. Members of Congress who have not had the opportunity of attending the committee hearings on social-security legislation this session, should not fail to hear these committee members when they explain H. R. 6000 on the floor of the House during the 4-day debate which this rule calls for.

Every one of the above-mentioned Members specifically emphasized the necessity for the Rules Committee to report out a closed rule for the consideration of this legislation. It has been the policy of the House in years past, on all complicated legislation pertaining to tax matters and legislation involving complex provisions and restrictions, to consider the same under a closed rule.

In the long committee hearings held on this legislation, numerous organizations and individuals testified in open hearings as to their recommendations and opinions on practical social-security legislation. Old-age and survivors' insurance, public-assistance, and child-welfare provisions, and all phases concerning future economic insecurity and dependency were considered by the committee. Our Government has had 10 valuable years' experience in the administration of social security and this practical knowledge is embodied in the various phases of the legislation set out in the present bill. The enactment of this legislation expanding the present social-security law is a certain and natural step in the progress of our economy.

During the debate on this bill, arguments will be presented alleging that we are following a socialistic trend—the same arguments that were heard 10 years ago when the original social-security bill was enacted.

Today the opponents of a social-security program are so far in the minority that their opinions are not given serious consideration. Of course, there are honest differences of opinion in regard to the practical application and methods to be used in the installation of social-security regulations.

When I was home during the recent temporary recess, one of the questions that was uppermost in the minds of numerous citizens was why the Eighty-first Congress had not acted on a social-security program. The consideration of this bill today is the answer to their question. H. R. 6000 should be considered by this Congress in a thoroughly unpolitical manner. Partisan politics should not enter into the consideration of social-security expansion. Both great political parties last fall set out in their platform the endorsement and need for social-security expansion. President Truman and Governor Dewey in their campaign speeches on numerous occasions advocated and insisted that the country must take this progressive step to provide additional security and protection for the aged, disabled, and unemployed.

Had an expanded and practical social-security system been in operation during the 1920's, the deplorable depression of the early thirties would by no means have been as devastating as it was.

The enactment of this legislation will be the greatest step toward public contentment, future security for the home, and elimination of the fear of old-age want.

This legislation will be a great step toward curbing the spread of communism and the arguments used by radical communistic agitators.

By enacting H. R. 6000, this Congress is merely carrying out a promise made to the people last fall and also a compliance with the wishes of a vast majority of American millions who wish to be insured for the future protection of themselves and families.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, there has been much time spent in debating this unusual rule. It is said that we may talk about the rule for 4 days but can do nothing about it. That is true if the rule is adopted without change. The time will arrive within 10 minutes when we can do something about it, and what is that something? Vote down the previous question and then amend the rule so that the House may work its will in writing this bill.

It must be admitted that closed or gag rules have at times been sponsored by the party in power, regardless of whether it was Republican or Democrat. Be that as it may, the practice is not a wholesome one. I served on the Rules Committee for many years and have at times voted for closed rules. These rules were granted at the unanimous request of the Ways and Means Committee, regardless of the political affiliations of the members. In those cases the rule was used as it was intended to be used; that is, in the best interests of good legislation and of all the pepole.

I still believe that a comprehensive tax bill cannot be written on the floor of the House; must be written in committee; and that a closed rule is an instrument of efficiency when agreed upon unanimously by the committee and voted by the House. In contrast, the bill which this bill makes in order is most controversial. The committee report on the bill is 207 pages long and one seldom finds more divergent, individual committee views. In these circumstances, the House should have an opportunity to pass upon these questions of policy. If theoretical figures, taxes, or mathematics were involved, it might be different.

Now, assuming that closed rules have wrongfully been passed in the past, such wrongful action then does not justify a repetition of those same mistakes now. No one in this debate has attempted to justify gag rules; in fact, every speaker has condemned them. It is certainly inconsistent to criticize the Republican Party for its action in bygone days and then follow the very procedure which the speaker so loudly condemns. This is especially true with the distinguished chairman of the Rules Committee, the gentleman from Illinois [Mr. SABATH], with whom I served so many years.

Mr. Speaker, within the next few minutes an opportunity will be given to the House to say to the world whether or not it wants to do its own thinking and its own legislating or meekly and sub-

missively respond to the crack of the party leadership whip, and jump through the hoop and pass this gag rule. For one, I believe in the extension of social-security benefits and shall vote accordingly; however, I shall insist upon and vote for the right to be permitted to offer amendments to correct apparent injustices and inconsistencies in the pending bill. What is wrong about that?

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, there is only one issue involved here and that is whether or not we are going to give a closed rule or an open rule on this bill, not what we have done in the past and not what we are going to do in the future.

This bill provides a compact between the Government of the United States and 50,000,000 people in the United States. They are going to be asked to pay their money for specified returns which are promised them, a contract and a compact which could not be abrogated unless the Nation goes bankrupt.

Mr. Speaker, it seems to me it is the height of arrogance to assume that 15 men in this House have the answer in perpetuity to that compact. Let me just give some figures that were given before the Rules Committee in regard to the vote taken in the Ways and Means Committee. Many votes were taken. Thirty-five of them were within 5 votes, more than 30 were within 4 votes or less, 25 were within 3 votes or less, 20 were by 2 votes or less, and 10 important votes by 1 vote or less within the committee. Yet with that division of opinion in the committee itself even the minority of that committee are prohibited from bringing up a single amendment on the floor of the House so that the Members can judge for themselves whether or not they want to enter into this abiding contract.

As I said before, it seems to me that it is the height of arrogance to assume that all the wisdom of the House reposes in those 15 men, and that the 10 men who have sat through all the hearings, who are strongly in favor of increasing the benefits and the coverage of social security, cannot be allowed to offer the amendments they think would make this a better bill.

Even in the Committee on Rules, I offered such an amendment and it was turned down, and turned down on the ground that the leadership was against allowing any amendment to be offered of any kind whatever. If that is the case, the leadership has to take the responsibility before the American people for everything that stands in this bill, without changing one line. When they say to us and say to us frankly, "We will send this bill over to the other body and sometime next year they will correct all the mistakes," in my opinion that is an absolute insult to the Members of this House.

Mr. BROWN of Ohio. Mr. Speaker, before yielding time to the concluding speaker on this side, I wish to announce I shall ask for a roll call on ordering the previous question. I hope the House of Representatives will vote down the previous question so the rule may be amended and an opportunity given to the Members of the House to properly consider this measure, to offer amendments thereto, and to vote upon them in their own best wisdom.

Mr. Speaker, I yield the remainder of the time on this side to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I am for the consideration of the social security measure, but I am opposed to this closed rule. I shall attempt to explain why I think the previous question should be voted down and the rule amended.

Some reference has been made to the action in the House here in the last Congress in considering a bill alleged to be similar under a suspension of the rules. First of all, there is a wide difference in the bills. Let me point out to you that in the debate on that bill in the last Congress the ranking Democrat on the Committee on Ways and Means, now the chairman of that committee, said this:

> This bill reflects the mature judgment of both the Committee on Ways and Means and the Subcommittee on Social Security headed by the distinguished gentleman from New York.

The provisions of that bill were overwhelmingly approved, but there is very substantial opposition to many provisions of this bill.

On a division vote, the vote was 237 to 2. May I also emphasize that it came under a suspension of the rules, a procedure by which a vote of one-third of the Members present and voting could have and would have defeated the measure.

To my mind, there is a marked difference between calling up a bill about which there is general agreement, under suspension of the rules, and calling up such a comprehensive bill as this, about which there is substantial difference of opinion, under a closed rule. There is a vast difference between calling up a bill under a procedure that requires a two-thirds majority to pass and under a procedure that requires only a simple majority to pass, and no one can change a single word in it. The procedure followed in the last Congress is not a precedent for what is here proposed.

I served on the Committee on Rules quite a while. I recall that as various tax bills were presented it was said that they needed a closed rule because of their technical nature and the interrelationship of the various provisions. As a Republican in a Democratic Congress, I supported many of those rules. I recognized that tax legislation presented many technical legal provisions not characteristic of the average bill. Well, I have witnessed some strange conversions since those days. In the Eightieth Congress we had a tax bill—the Revenue Act of 1948. As had been customary, it was called up under a closed rule, which had been the practice of the Democratic majorities in previous Congresses. But the Democratic leadership suddenly abandoned its own practice. It protested a closed rule even on a tax bill. It was violently contended on the floor by the then minority whip, now the Democratic majority leader, and the ranking Democrat on the Committee on Rules, now the chairman of that committee, that on a tax bill—mind you, not a social-security bill, but a tax bill, from which came this very practice that they previously advocated—that the closed rule under which we then proposed to act was wrong.

Here is what the gentleman from Illinois [Mr. SABATH] said in speaking on the gag rule:

> To my mind, this is the most drastic and unjustifiable gag rule that could possibly be brought in. In the first place, the rule waives points of order against the bill. It then provides that the bill shall be considered as having been read for amendment, precluding it being read, after the debate, but no amendment shall be in order to the bill except amendments offered by the committee, and even the amendments offered by the committee are not subject to amendment.

That is exactly the kind of a rule you have here today and against which the gentleman from Illinois [Mr. SABATH] at that time fought. May I point out again that was not a social-security bill, but on a tax bill, a revenue bill, which did not include anything else. Why the sudden flip-flop of the gentleman from Illinois.

Then what did the gentleman from Massachusetts [Mr. MCCORMACK] say about the closed rule in the last Congress? And I remind you again that the bill in question was a tax bill. This is what he said:

> The gentleman from Illinois [Mr. ALLEN] admits that he takes away from the minority every right under the rules; that under the rules they could not take away from us the right of a motion to recommit. So that in this rule they have ruthlessly taken away from the minority every legislative right that the general rules provide for, and when the gentleman refers to a motion to recommit, he knows that the Rules Committee, under the rules of the House, could not take that right away from the minority. So they have taken away everything they could from the minority party in the consideration of this bill, under the general parliamentary procedure.

Is that not clear evidence that there has been some strange sort of a conversion even in respect to tax bills, because that was the position they took in connection with consideration of the Revenue Act of 1948.

To my good friends sitting on the right side of the aisle: Rise to the challenge of that day; rise to the admonition of a former day by the gentlemen who have here spoken today for this rule. If you really follow their advice you will vote against the previous question.

Beyond that, my friends—and let me speak to all of you—I am not going into the details of this bill except to say this: I favored the original Social Security Act. I spoke on the floor for old-age assistance and social security. Let no one say that there were great numbers of people who were opposed to such back

in 1935. There was only a handful opposed to it. I, too, have believed in certain increases in amount and increases in payments and coverage. But here is the thing that is difficult if this rule is adopted as it applies to this particular bill. As has been pointed out there are good provisions in this bill and then there are a great many provisions which, in my opinion, are completely wrong and dangerous. There are some very substantial questions of policy involved in many of the provisions. There are provisions which, if they were subject to amendment on the floor of the House, would be stricken out by decisive majorities of the Members here present and voting. This is a comprehensive measure. It does not involve the intricacies found in a technical tax bill. Tax legislation embodies a great body of court decisions. Tax law is a specialty in itself.

Under those circumstances, why not proceed under an open rule? I, too, on occasion have chafed at the insistence of the Committee on Ways and Means that its measures, its tax measures, come in under closed rules. Like many others, as I have pointed out, I thought that tax measures necessarily had to have that sort of consideration. But here the tax matter is completely incidental. Oh, it is a very important part, to be sure, but you figure out what you are going to do in the way of coverage, and what you are going to do in the way of benefits, and then it simply becomes a matter of arithmetic as to what the tax shall be. It involves no technical complications and exacting language as found in income taxes or estate taxes. Hence, does it not follow that this bill ought to come up for consideration just like a bill from the Committee on Interstate and Foreign Commerce? You remember the so-called Crosser bill. This is no more complex nor any more technical. I say give us a chance to work out a good bill. Do not put us in the position of having either to vote for a lot of bad things, or vote against things that are good.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, social security means pensions, to provide some protection against the economic hazards of disability, old age, and the death of a bread winner in a family.

It is insurance against destitution.

It also provides for unemployment compensation.

In the legislation under discussion, however, we are concerned with an expansion of coverage and benefits to the disabled, the aged, to the aged wife and young children of a living beneficiary, to the widow, children, and, in some cases, the dependent parents of an insured worker who dies.

The Social Security Act was passed by Congress in 1935. It was intended under the Constitution, to enable people to do for themselves as a group, what they could not do for themselves as individuals. It is based, like all insurance, upon the pooling of certain resources and risks.

The economic collapse of 1929 brought forcibly to our attention the fact that a person's ability to earn a living and, at the same time, provide against the unexpected is not completely within his own control. It also taught us, through tragic experience, how we need one another. The depression became world-wide because so many could not buy what others produced. The issue of "have's versus have-not's" exploded in war. By this same line of reasoning, the victors are now engaged in the job of restoring the vanquished. Business cannot prosper in a vacuum. It needs markets, and markets depend upon purchasing power in the hands of individuals. Our objective, through social-security legislation, is both humane and practical. Long before this century, our Government gave aid to business in times of stress. More recently, the Congress has embarked upon a large-scale program to sustain the income—and purchasing power—of agricultural producers. But business and agriculture also need the sustained purchasing power of consumers, not some consumers but all consumers. A dynamic economy will fall flat on its face if it tries to limp along on one leg.

Other nations had made a beginning on social security, but the need for it struck us overnight and under the pressure of a Nation-wide paralysis. A vast program could not be legislated at once. We had to feel our way.

Fourteen years have passed, and we have learned much in the meantime. With the experience gained, we must get on with the building of a more comprehensive program. It is manifestly unfair to protect some workers and exclude others.

The face value of old-age and survivors insurance benefits—separated from the old-age assistance program—is about $80,000,000,000. These contributions are made up from a percentage levied on wages received. In turn, benefits are paid on the basis of past wages earned, and thus compensate for some of the wage loss sustained when the worker retires or dies.

At this point, I think we should compliment the Social-Security Agency for its administration of a difficult and responsible job. The cost of administration is 3 percent of contributions collected and less than 10 percent of benefit payments. Contributions for the year 1949 are being collected at the rate of $1,800,000,000 a year and disbursements will reach the vicinity of $700,000,000. Of course, benefits will increase, and administration costs will decrease, as we go into the future.

In 1935, faced with this new and compelling need, there were those who opposed the program, fearful of how it would work out. That opposition has practically disappeared. Those very same voices now rate social security, in a very businesslike manner, as one of the cushions which will prevent a depression. The only issue is: How far and how fast should we go in extending the program?

With certain exceptions, the present program covers employers of one or more employees.

Account cards have been issued to some 90,000,000 persons, of whom 80,000,000 have some wage credits in their accounts, because of work in insured employment. Breaking down these figures, we find that many people alternate between insured and uninsured employment, so that, in 1948, only 35,000,000 were engaged in insured employment at any one time. Of the grand total, 13,000,000 have reached the stage where they are permanently insured. The fate of the remainder who have acquired some wage credits depends upon their continuance in covered employment, their return to it, or by inclusion of their present, uncovered employment within the benefit system by congressional action.

It is encouraging to note that the House Ways and Means Committee by a 22 to 3 margin, has approved a bill whose major provisions include:

First. Blanketing of 11,000,000 more workers into the old-age and survivors insurance program.

Second. Boosting by 70 percent the present benefits of 2,500,000 persons already retired, or their survivors if they have died, and increasing by an average of 80 percent the insurance benefits of persons yet to retire, or their survivors.

Third. An increase of $160,000,000 a year in Federal participation with the States in public assistance or home relief for needy persons. The Government already contributes $1,100,000,000 annually for this program from general revenues. It is important to clearly distinguish the old-age and survivors insurance program under which the workers and their employers pay for the benefits which the worker gets later on and—public assistance. The public-assistance program is direct relief to the needy who have not qualified because they have no resources and have not worked long enough in covered employment. As coverage is extended, the costs of public assistance will decrease. This will be helpful for the agricultural States where public-assistance costs are heavy because so little of the outright burden of dependency is borne by the contributory social-insurance plan. Due to medical progress and other factors, the number of aged is increasing. Public-assistance costs will therefore rise until such time as all people—during their working years—are covered by deductions, shared by worker and employer, for the eventual retirement of the worker.

Fourth. Increase the pay-roll taxes supporting the insurance program, currently 1 percent of employee's pay and employer's pay roll, to 1½ percent on each, next January 1, to 2 percent on January 1, 1951, to 2½ percent in 1960, to 3 percent in 1964, and to 3½ percent on each in 1970.

Fifth. Create a new category of aid to totally and permanently disabled persons under both the insurance and public assistance approaches to the problem.

Extended coverage proposed would embrace the self-employed, with the ex-

ception of doctors, lawyers, dentists, and certain other professional categories; domestic workers with earnings exceeding $26 in a 3-month period; employees of nonprofit institutions, State and local government employees where there is a Federal-State agreement, and several smaller groups.

In the House of Representatives, we will work for passage of this bill before Congress adjourns. Due to the backlog of work facing the Senate, it is unlikely that this legislative body will have an opportunity to approve of this much-needed legislation until next year. Personally, I favor more security for more people, and it is my opinion that the Congress as a whole, in line with the President's recommendation and request, will provide for this need before another year has passed.

Apart from all considerations of humanity, or of economics, it is apparent that the people want extended coverage to provide a minimum of security for all against the major uncertainties of life.

A poll among farmers reveals that 60 percent favor extension of social-security benefits to them. Small-business men, professional workers, and others who comprise the nonfarm self-employed are asking that they themselves also be included. Farm operators number about 6,000,000. Urban self-employed stand at about 7,700,000.

Originally, the self-employed were left out of the Social Security Act because there seemed to be no feasible way of taxing their income for contributory purposes. However, experience has since demonstrated that there are no administrative problems which will preclude their coverage. It is suggested that reports would be required only from self-employed persons with gross cash incomes from all sources of $500 or more in a year, and with net incomes from self-employment of $200 or more. Income due to self-employment would have to be separated from return on investment. However, net income from self-employment could be gaged on the basis of two figures already included in the income-tax return, namely, income from business or profession—schedule C—and income from partnerships—schedule E.

Altogether, some 4,700,000 persons are excluded from the present coverage as agricultural labor. About 3,000,000 domestic workers in private homes are also frozen out of benefits.

These two low-income groups are more in need of protection than regular industrial workers and, due to the greater degree of economic uncertainty surrounding their employment, they should have been among the first groups to be covered. This ironic oversight has heretofore been excused on the basis of administrative difficulties concerning them. Most of the small employers of such help do not keep books, and there seemed to be no way of keeping records on such employees. To overcome this lack, a set-up is suggested whereby such an employee would receive a stamp book in which stamps would be placed by his employer as evidence of contributions made by the employer and the worker. These stamps could be purchased at post offices or from rural mail carriers. This plan could also be used in small industrial and commercial establishments. Either the stamp-book system, or the simplified pay roll report system developed by the Treasury Department and the Social Security Administration could be used for the coverage of agricultural workers and employees in domestic service. Either offers a practical solution to the original objection which was based on administrative difficulties and extra cost.

It is also advisable that employees of the Federal, State, and local governments—adjusting their special retirement systems where they exist, to the basic social-insurance system—members of the armed forces, and employees of religious, educational, charitable, and similiar nonprofit organizations, should also be included. Also, those independents, such as salesmen, taxicab operators, insurance agents, and homeworkers.

In order to bring newly covered workers up to an even status with those previously covered, the existing law should be changed to permit such workers to be deemed insured if they had covered wages in one out of each of the four quarters elapsing since 1936, or since the age of 21. Anyone who already has 40 quarters (or 10 years of covered employment) would continue to be fully insured.

Since the present level of benefits is inadequate, even in the light of the lower economic level of 1939 when these provisions were enacted, and since the higher cost of today's living will not recede to that level, benefits should be increased.

Furthermore, the qualifying age for women should be reduced from 65 years to 60. Women are generally younger than their husbands and, on the average, live longer. If women are allowed to draw benefits at 60, about three-fifths of the married men would have wives immediately eligible for wife's benefits when the men reach the age of 65. This would also help widows. Women workers themselves should, as a matter of consistency, be eligible for benefits at the same age that other women qualify for dependent's benefits.

The most serious lack in our social-security program is that it fails to provide adequate safeguards against the distress and poverty which follow disability.

Over 2,000,000 Americans are disabled for 6 months or longer each year. In June 1948, 83,000 persons were receiving aid to the blind; 90,000 families were receiving aid to dependent children. Disability insurance is part of the social-insurance system of practically all countries except the United States.

Loss of income delivers the same cruel blow to the wage earner and to the wife and children dependent upon him whether it is caused by unemployment beyond his control, or by illness or injury. We are providing insurance against the one but we have neglected the other.

This dangerous gap must be filled in by providing disability insurance through a contributory system.

The cost?

Actuarial estimates of an expanded old-age, survivors, and extended disability insurance program, based on present employment and wage levels, hits an intermediate figure of 7.4 percent of pay rolls.

This is the financial cost, which would not cripple any earnings.

But what about the cost in terms of destitution and despair which the financial cost would eliminate? Would not this represent a real gain in human dignity, freedom from unnecessary worry, and as a prop to the economy upon which we all rely?

Basic security for all is the foundation for the next advance of civilization. For no man can live unto himself alone whether it concerns his material needs or the opportunity for developing his immortal spirit.

Mr. SABATH. Mr. Speaker, I yield the balance of the time to the gentleman from Tennessee [Mr. COOPER].

The SPEAKER. The gentleman from Tennessee is recognized for 6½ minutes.

(Mr. COOPER asked and was given permission to extend and revise the remarks he expected to make in Committee of the Whole and include certain excerpts and quotations.)

Mr. COOPER. Mr. Speaker, for those of us who have been here a while, it has been interesting to hear this debate and hear the remarks made by our distinguished colleagues and good friends on the left of the Chamber.

I was initiated in the House of Representatives on a demand to vote for a closed rule, offered by the Republican Party, for the consideration of the Smoot-Hawley tariff bill. Fifteen Republican members of the Ways and Means Committee, behind closed doors, with all the Democrats locked out, 15 Republican members of the Ways and Means Committee wrote the Smoot-Hawley tariff bill, and then brought in a closed rule for its consideration. Hon. John Tilson, of Connecticut, then Republican leader of the House, publicly stated:

> We do not propose to allow every Tom, Dick, and Harry to offer amendments to this bill.

That is the history of your own actions, and yet we see these crocodile tears shed here today about this type of rule.

As I say, I was initiated in the House of Representatives, the first session, my first term, by that situation that you presented. Any man who was here then knows that is true.

As has been stated, the Ways and Means Committee has worked for 6 months on the pending bill, and it is reported to the House today by a vote of 22 to 3. Only three minority members of the Ways and Means Committee voted against favorably reporting this bill. All 15 of the Democratic members voted for it, and 7 of the 10 Republican members voted for it. I say to you that this is a good bill. It is a far better bill than I ever thought we would be able to present to you because of the many difficult problems involved in it. It is a bill of such nature that the best

interests of the House of Representatives and the best interests of the country will be served by considering it under this type of rule. There are certain provisions in this bill that extend all through the measure, and if a change is made here and not made in some other related provisions of the bill, the whole thing will be thrown out of joint. It is far more important, in my humble judgment, to consider this bill under this type of rule than it is a tax bill. Everybody of experience in this House knows that we have found that a tax bill must be considered under this type of rule.

Last year, when our Republican friends were in control and brought in a very limited revision of social security—extremely limited—they went before the Rules Committee and requested and received exactly this same type of rule for the consideration of that bill. They provided for only 2 hours general debate; this rule provides not for 2 hours, but for not to exceed 4 days. Then, after the Committee on Rules had granted the rule their leadership decided to bring the bill up under a suspension of the rules where there was only 20 minutes debate on the side and no chance for any amendment and not even a motion to recommit was in order. That is the history of this situation.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield very briefly.

Mr. MICHENER. Assuming that that is the history, does not the gentleman believe that it was wrong and that we cannot win tomorrow if we spend today quarreling with yesterday?

Mr. COOPER. I merely cite the history. The gentleman has been here most all this time; he knows that what I have said is true. I did not oppose that type of rule last year. The chairman of the Committee on Ways and Means now, who was then the ranking minority member, went with the gentleman from New York [Mr. REED] and other Republican members before the Committee on Rules and requested that type of rule because in all honesty he knew it was the best way to consider the legislation. This time, with a far more difficult bill, much more far-reaching than the measure last year we are simply asking the same thing, that the House consider this bill under the type of rule that the members of the Committee on Ways and Means honestly believe will be in the interest of best legislation and orderly procedure.

This bill is before you, as I say, after 6 months' diligent effort. It broadens the coverage of the Social Security Act, extending coverage to about 11,000,000 people not now covered. It extends and increases the benefits under the present program. It is a well-balanced and carefully prepared bill; and I say to you frankly as my best judgment, having served on the original subcommittee, having worked all through the years since the very inception of social-security legislation, that this bill before you today does meet the problem better than it could be met after weeks and weeks of consideration here in the House winding up possibly with a bill that would have to be recommitted. So I submit it to you for your consideration.

Mr. SABATH. Mr. Speaker, I move the previous question.

The SPEAKER. The question is on the motion.

Mr. BROWN of Ohio. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 175, nays 154, answered "present" 2, not voting 101, as follows:

[Roll No. 214]

YEAS—175

Addonizio	Gore	O'Brien, Ill.
Albert	Gorski, Ill.	O'Brien, Mich.
Allen, La.	Gorski, N. Y.	O'Hara, Ill.
Aspinall	Gossett	O'Konski
Barrett, Pa.	Granger	O'Sullivan
Bates, Ky.	Hardy	O'Toole
Beckworth	Hare	Pace
Bennett, Fla.	Harris	Passman
Bentsen	Harrison	Patten
Biemiller	Hart	Perkins
Boggs, La.	Havenner	Peterson
Bolling	Hays, Ark.	Philbin
Bosone	Hedrick	Polk
Boykin	Heller	Powell
Breen	Herlong	Preston
Brooks	Holifield	Price
Brown, Ga.	Howell	Priest
Bryson	Hull	Quinn
Buchanan	Jackson, Wash.	Rabaut
Buckley, Ill.	Jacobs	Rains
Burke	Jones, Ala.	Ramsay
Burleson	Jones, Mo.	Redden
Burton	Karst	Regan
Camp	Karsten	Rodino
Cannon	Kee	Rooney
Carnahan	Kelley	Sabath
Carroll	Kerr	Sadowski
Cavalcante	Kilday	Sasscer
Celler	King	Secrest
Chelf	Kirwan	Sheppard
Chesney	Kruse	Sims
Christopher	Lane	Spence
Clemente	Lanham	Staggers
Combs	Lesinski	Steed
Cooper	Lind	Stigler
Crook	Linehan	Sullivan
Davenport	Lucas	Sutton
Davis, Tenn.	Lyle	Tackett
Dawson	Lynch	Teague
DeGraffenried	McCarthy	Thomas, Tex.
Delaney	McCormack	Thompson
Denton	McGrath	Thornberry
Dollinger	McGuire	Trimble
Doughton	McKinnon	Vinson
Doyle	Madden	Wagner
Durham	Magee	Walsh
Eberharter	Mahon	Welch
Elliott	Marcantonio	Wheeler
Evins	Marsalis	White, Calif.
Fallon	Marshall	Whittington
Fernandez	Miles	Wickersham
Fisher	Mills	Wier
Fogarty	Mitchell	Wilson, Okla.
Forand	Monroney	Wood
Frazier	Morgan	Yates
Fugate	Morris	Young
Furcolo	Moulder	Zablocki
Gathings	Murdock	
Gordon	Noland	

NAYS—154

Abernethy	Boggs, Del.	Davis, Ga.
Allen, Calif.	Brown, Ohio	Davis, Wis.
Allen, Ill.	Burdick	D'Ewart
Andersen, H. Carl	Byrnes, Wis.	Dolliver
Anderson, Calif.	Canfield	Dondero
Andresen, August H.	Case, N. J.	Eaton
Andrews	Case, S. Dak.	Ellsworth
Angell	Chiperfield	Engel, Mich.
Arends	Church	Fenton
Auchincloss	Clevenger	Ford
Barrett, Wyo.	Cole, Kans.	Fulton
Battle	Colmer	Gamble
Beall	Corbett	Gavin
Bennett, Mich.	Cotton	Gillette
Bishop	Crawford	Golden
Blackney	Cunningham	Goodwin
Bolton	Curtis	Graham
Bonner	Dague	Grant
Bramblett	Davis, Ga.	Gross
Brehm	Davis, Wis.	Gwinn
Buckley, N. Y.	D'Ewart	Hagen
Bulwinkle	Dolliver	Hale
Burnside	Dondero	Hall, Leonard W.
Byrne, N. Y.	Eaton	Halleck
Carlyle	Ellsworth	Hand
Chatham	Engel, Mich.	Harden
Chudoff	Fenton	Herter
Cole, N. Y.	Ford	Heselton
Cooley	Fulton	Hill
Coudert	Gamble	Hinshaw
Crosser	Gavin	Hobbs
Davies, N. Y.	Gillette	Hoeven
Deane	Golden	Hoffman, Ill.
Dingell	Goodwin	Hoffman, Mich.
Donohue	Graham	Holmes
Douglas	Grant	Hope
Elston	Gross	Horan
Engle, Calif.	Gwinn	James
Feighan	Hagen	Jenison
Fellows	Hale	Jenkins
Flood	Hall, Leonard W.	Jennings
Garmatz	Halleck	Jensen
Gary	Hand	Johnson
Gathings	Harden	Judd
Gordon	Herter	Kean
Gross	Heselton	Kearney
Gwinn	Hill	Kearns
Hagen	Hinshaw	Keefe
Hale	Hobbs	Latham
Hall, Leonard W.	Hoeven	LeCompte
Halleck	Hoffman, Ill.	LeFevre
Hand	Hoffman, Mich.	Lemke
Harden	Holmes	
Herter	Hope	
Heselton	Horan	
Hill	James	
Hinshaw	Jenison	
Hobbs	Jenkins	
Hoeven	Jennings	
Hoffman, Ill.	Jensen	
Hoffman, Mich.	Johnson	
Holmes	Judd	
Hope	Kean	
Horan	Kearney	
James	Kearns	
Jenison	Keefe	
Jenkins	Latham	
Jennings	LeCompte	
Jensen	LeFevre	
Johnson	Lemke	
Judd	Lichtenwalter	
Kean	Lodge	
Kearney	McConnell	
Kearns	McCulloch	
Keefe	McDonough	
Latham	McGregor	
LeCompte	Mack, Wash.	
LeFevre	Macy	
Lemke	Martin, Iowa	
	Martin, Mass.	
	Mason	
	Meyer	
	Michener	
	Miller, Nebr.	
	Murray, Tenn.	
	Murray, Wis.	
	Nelson	
	Nicholson	
	Nixon	
	Norrell	
	O'Hara, Minn.	
	Patterson	
	Phillips, Tenn.	
	Pickett	
	Plumley	
	Potter	
	Poulson	
	Rankin	
	Rees	
	Rich	
	Rivers	
	Rogers, Fla.	
	Rogers, Mass.	
	Sadlak	
	St. George	
	Sanborn	
	Saylor	
	Scott, Hardie	
	Scrivner	
	Scudder	
	Shafer	
	Short	
	Sikes	
	Simpson, Ill.	
	Simpson, Pa.	
	Smathers	
	Smith, Kans.	
	Smith, Va.	
	Smith, Wis.	
	Stefan	
	Stockman	
	Taber	
	Talle	
	Tollefson	
	Van Zandt	
	Velde	
	Vorys	
	Vursell	
	Weichel	
	Werdel	
	White, Idaho	
	Wigglesworth	
	Williams	
	Wilson, Ind.	
	Wilson, Tex.	
	Winstead	
	Withrow	
	Woodruff	

ANSWERED "PRESENT"—2

Cox Wolcott

NOT VOTING—101

Abbitt	Gilmer	Murphy
Bailey	Granahan	Norblad
Barden	Green	Norton
Baring	Gregory	O'Neill
Bates, Mass.	Hall, Edwin Arthur	Patman
Biand	Harvey	Pfeifer, Joseph L.
Blatnik	Hays, Ohio	Pfeiffer, William L.
Bolton, Md.	Hébert	Phillips, Calif.
Bolton, Ohio	Heffernan	Poage
Bonner	Huber	Reed, Ill.
Bramblett	Irving	Reed, N. Y.
Brehm	Jackson, Calif.	Rhodes
Buckley, N. Y.	Javits	Ribicoff
Bulwinkle	Jonas	Richards
Burnside	Jones, N. C.	Riehlman
Byrne, N. Y.	Keating	Roosevelt
Carlyle	Kennedy	Scott, Hugh D., Jr.
Chatham	Keogh	Smith, Ohio
Chudoff	Kilburn	Stanley
Cole, N. Y.	Klein	Tauriello
Cooley	Kunkel	Taylor
Coudert	Larcade	Thomas, N. J.
Crosser	Lovre	Towe
Davies, N. Y.	McMillan, S. C.	Underwood
Deane	McMillen, Ill.	Wadsworth
Dingell	McSweeney	Walter
Donohue	Mack, Ill.	Whitaker
Douglas	Mansfield	Whitten
Elston	Merrow	Willis
Engle, Calif.	Miller, Calif.	Wolverton
Feighan	Miller, Md.	Woodhouse
Fellows	Morrison	Worley
Flood	Morton	
Garmatz	Moulder	
Gary	Multer	

So the previous question was ordered.

The Clerk announced the following pairs:

On this vote:

Mrs. Douglas for, with Mr. Towe against.

Mr. Keogh for, with Mr. Keating against.

Mr. Huber for, with Mr. Smith of Ohio against.

Mr. Ribicoff for, with Mr. Brehm against.

Mr. Byrne of New York for, with Mr. Elston against.

Mr. Garmatz for, with Mr. Riehlman against.

Mr. Patman for, with Mr. Wolcott against.

Mrs. Norton for, with Mr. Coudert against.

Mr. Morrison for, with Mr. Hugh D Scott, Jr., against.

Mr. Bailey for, with Mr. Kunkel against.

Mr. Bonner for, with Mrs. Bolton of Ohio against.

Mr. Mansfield for, with Mr. Reed of New York against.
Mr. Joseph L. Pfeifer for, with Mr. Reed of Illinois against.
Mr. Cox for, with Mr. Wadsworth against.
Mr. Gilmer for, with Mr. Kilburn against.
Mr. Tauriello for, with Mr. Cole of New York against.
Mr. Granahan for, with Mr. Fellows against.
Mr. Green for, with Mr. Harvey against.
Mr. Chudoff for, with Mr. Jackson of California against.
Mr. Multer for, with Mr. Jonas against.
Mr. Murphy for, with Mr. Taylor against.
Mr. Walter for, with Mr. William L. Pfeiffer against.
Mr. Klein for, with Mr. Merrow against.
Mr. Roosevelt for, with Mr. McMillen of Illinois against.
Mr. Hays of Ohio for, with Mr. Lovre against.
Mr. O'Neill for, with Mr. Bramblett against.
Mr. Heffernan for, with Mr. Morton against.

General pairs until further notice:

Mr. Whitten with Mr. Wolverton.
Mr. Whitaker with Mr. Norblad.
Mr. Feighan with Mr. Miller of Maryland.
Mr. Engle of California with Mr. Bates of Massachusetts.
Mr. Hébert with Mr Edwin Arthur Hall.
Mr. Richards with Mr Phillips of California.

Mr. COX. Mr. Speaker, I have a pair with the gentleman from New York, Mr. WADSWORTH. I voted "aye." If present, he would have voted "nay." I, therefore, withdraw my vote and vote "present."

Mr. WOLCOTT. Mr. Speaker, I voted "no." I have a pair with the gentleman from Texas, Mr. PATMAN, who, if present, would have voted "aye." I, therefore, withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on agreeing to the resolution.

Mr. BROWN of Ohio. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 189, nays 135, answered "present" 2, not voting 106, as follows:

[Roll No. 215]

YEAS—189

Abernethy	Camp	Fernandez
Addonizio	Cannon	Fisher
Albert	Carnahan	Fogarty
Allen, La.	Carroll	Forand
Andrews	Cavalcante	Frazier
Aspinall	Celler	Fugate
Barrett, Pa.	Chelf	Furcolo
Bates, Ky.	Chesney	Gathings
Battle	Christopher	Gordon
Beall	Clemente	Gore
Beckworth	Combs	Gorski, Ill.
Bennett, Fla.	Cooper	Gorski, N. Y.
Bennett, Mich.	Crook	Gossett
Bentsen	Davenport	Granger
Biemiller	Davis, Tenn.	Grant
Boggs, La.	Dawson	Hardy
Bolling	DeGraffenried	Hare
Bosone	Delaney	Harris
Boykin	Denton	Harrison
Breen	Dollinger	Hart
Brooks	Doughton	Havenner
Brown, Ga.	Doyle	Hays, Ark.
Bryson	Durham	Hedrick
Buchanan	Eberharter	Heller
Buckley, Ill.	Elliott	Herlong
Burke	Engel, Mich.	Holifield
Burleson	Evins	Howell
Burton	Fallon	Hull
Jackson, Wash.	Marsalis	Rooney
Jacobs	Miles	Sabath
Jones, Ala.	Miller, Nebr.	Sadowski
Jones, Mo.	Mills	Sasscer
Judd	Mitchell	Secrest
Karst	Monroney	Sheppard
Karsten	Morgan	Sikes
Kee	Morris	Sims
Keefe	Murdock	Smathers
Kelley	Noland	Spence
Kennedy	O'Brien, Ill.	Staggers
Kerr	O'Brien, Mich.	Steed
Kilday	O'Hara, Ill.	Stigler
King	O'Sullivan	Sullivan
Kirwan	O'Toole	Sutton
Kruse	Pace	Tackett
Lane	Passman	Thomas, Tex.
Lanham	Patten	Thompson
Lesinski	Perkins	Thornberry
Lind	Peterson	Tollefson
Linehan	Philbin	Trimble
Lucas	Polk	Vinson
Lyle	Potter	Wagner
Lynch	Powell	Walsh
McCarthy	Preston	Welch
McCormack	Price	Wheeler
McDonough	Priest	White, Calif.
McGrath	Quinn	Wickersham
McGuire	Rabaut	Wier
McKinnon	Rains	Wilson, Okla.
Mack, Wash.	Ramsay	Withrow
Madden	Redden	Wood
Magee	Regan	Yates
Mahon	Rodino	Young
Marcantonio	Rogers, Fla.	Zablocki

NAYS—135

Allen, Calif.	Gross	Nelson
Allen, Ill.	Gwinn	Nicholson
Andersen, H. Carl	Hagen	Nixon
	Hale	Norrell
Anderson, Calif.	Hall, Leonard W.	O'Hara, Minn.
Andresen, August H.	Halleck	Patterson
	Hand	Phillips, Tenn.
Angell	Harden	Pickett
Arends	Herter	Plumley
Auchincloss	Heselton	Poulson
Barrett, Wyo.	Hill	Rankin
Bates, Mass.	Hinshaw	Rees
Bishop	Hobbs	Rich
Blackney	Hoeven	Rivers
Boggs, Del.	Hoffman, Ill.	Rogers, Mass.
Brown, Ohio	Hoffman, Mich.	Sadlak
Burdick	Holmes	St. George
Byrnes, Wis.	Hope	Sanborn
Canfield	Horan	Saylor
Case, S. Dak.	James	Scott, Hardie
Church	Jenison	Scrivner
Clevenger	Jenkins	Scudder
Cole, Kans.	Jennings	Shafer
Colmer	Jensen	Short
Corbett	Johnson	Simpson, Ill.
Cotton	Kean	Simpson, Pa.
Crawford	Kearney	Smith, Kans.
Cunningham	Kearns	Smith, Va.
Curtis	Latham	Smith, Wis.
Dague	LeCompte	Stefan
Davis, Ga.	LeFevre	Stockman
Davis, Wis.	Lemke	Taber
D'Ewart	Lichtenwalter	Talle
Dolliver	Lodge	Van Zandt
Dondero	McConnell	Velde
Eaton	McCulloch	Vorys
Ellsworth	McGregor	Vursell
Fenton	Macy	Weichel
Ford	Martin, Iowa	Werdel
Fulton	Martin, Mass.	White, Idaho
Gamble	Mason	Wigglesworth
Gavin	Meyer	Williams
Gillette	Michener	Wilson, Ind.
Golden	Murray, Tenn.	Wilson, Tex.
Goodwin	Murray, Wis.	Winstead
Graham		Woodruff

ANSWERED "PRESENT"—2

Cox Wolcott

NOT VOTING—106

Abbitt	Burnside	Dingell
Bailey	Byrne, N. Y.	Donohue
Barden	Carlyle	Douglas
Baring	Case, N. J.	Elston
Bland	Chatham	Engle, Calif.
Blatnik	Chiperfield	Feighan
Bolton, Md.	Chudoff	Fellows
Bolton, Ohio	Cole, N. Y.	Flood
Bonner	Cooley	Garmatz
Bramblett	Coudert	Gary
Brehm	Crosser	Gilmer
Buckley, N. Y.	Davies, N. Y.	Granahan
Bulwinkle	Deane	Green
Gregory	Mansfield	Ribicoff
Hall, Edwin Arthur	Marshall	Richards
	Merrow	Riehlman
Harvey	Miller, Calif.	Roosevelt
Hays, Ohio	Miller, Md.	Scott, Hugh D., Jr.
Hébert	Morrison	
Heffernan	Morton	Smith, Ohio
Huber	Moulder	Stanley
Irving	Multer	Tauriello
Jackson, Calif.	Murphy	Taylor
Javits	Norblad	Teague
Jonas	Norton	Thomas, N. J.
Jones, N. C.	O'Konski	Towe
Keating	O'Neill	Underwood
Keogh	Patman	Wadsworth
Kilburn	Pfeifer, Joseph L.	Walter
Klein		Whitaker
Kunkel	Pfeiffer William L.	Whitten
Larcade		Whittington
Lovre	Phillips, Calif.	Willis
McMillan, S. C.	Poage	Wolverton
McMillen, Ill.	Reed, Ill.	Woodhouse
McSweeney	Reed, N. Y.	Worley
Mack, Ill.	Rhodes	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Cox for, with Mr. Wadsworth against.
Mr. Keogh for, with Mr. Towe against.
Mr. Huber for, with Mr. Keating against.
Mr. Ribicoff for, with Mr. Smith of Ohio against.
Mr. Byrne of New York for, with Mr. Brehm against.
Mr. Garmatz for, with Mr. Elston against.
Mrs. Norton for, with Mr. Riehlman against.
Mr. Patman for, with Mr. Wolcott against.
Mr. Morrison for, with Mr. Coudert against.
Mr. Bailey for, with Mr. Hugh D. Scott, Jr., against.
Mr. Bonner for, with Mr. Kunkel, against.
Mrs. Douglas for, with Mrs. Bolton of Ohio, against.
Mr. Mansfield for, with Mr. Fellows against.
Mr. Multer for, with Mr. Harvey against.
Mr. Murphy for, with Mr. Jonas against.
Mr. Klein for, with Mr. Kilburn against.
Mr. Roosevelt for, with Mr. Lovre against.
Mr. Hays of Ohio for, with Mr. McMillen of Illinois, against.
Mr. Heffernan for, with Mr. Merrow against.
Mr. Donohue for, with Mr. William L. Pfeiffer against.
Mr. Engle of California for, with Mr. Taylor against.
Mr. Feighan for, with Mr. Cole of New York against.
Mr. Teague for, with Mr. Reed of Illinois against.
Mr. Davies of New York for, with Mr. Reed of New York against.

Additional general pairs:

Mr. Gilmer with Mr. Miller of Maryland.
Mr. Miller of California with Mr. Wolverton.
Mr. Bolton of Maryland with Mr. Case of New Jersey.
Mr. Tauriello with Mr. Chiperfield.
Mr. Granahan with Mr. Bramblett.
Mr. Whittington with Mr. Edwin Arthur Hall.
Mr. Chudoff with Mr. Jackson of California.
Mr. O'Neill with Mr. Norblad.
Mr. Deane with Mr. Morton.
Mr. Dingell with Mr. Phillips of California.

Mr. WOLCOTT. Mr. Speaker, I have a live pair with the gentleman from Texas, Mr. PATMAN. If he were present, he would vote "yea." I voted "nay." I withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

(Mr. DOUGHTON asked and was given permission to extend his remarks in the

RECORD and include certain tables in connection with the bill H. R. 6000.)

(Mr. JENKINS asked and was given permission to extend his remarks in the RECORD and include extraneous matter.)

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6000, with Mr. KILDAY in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. DOUGHTON. Mr. Chairman, it was my privilege to introduce the original social-security bill in 1935; also, the only two social-security-revision bills to become law since then—the social-security amendments of 1939 and the social-security amendments of 1946. The social-security bill of last year was introduced by the able and distinguished gentleman from New York, a member of our committee [Mr. REED], but that bill did not pass the House until the closing days of the Eightieth Congress, and there was no time for its consideration by the Senate.

There were no hearings conducted on that bill, and that bill, unlike ours which was introduced and taken up early in the first session of the Eight-first Congress, was not introduced until the last days of the Eightieth Congress. The Congress adjourned, as I recall, on June 20. That bill, without any hearings, mind you, was introduced on June 2 and reported on June 2. The report on that bill was filed in two installments. One was on June 2 and the other was on June 4. Remember, the Congress adjourned on June 20, less than 3 weeks later.

As has been stated, application was made to the Rules Committee for a closed rule, and a rule was granted. It was similar to the rule granted today, except that it provided for only 2 hours' general debate. That was not tight enough to suit the majority at that time, so they brought the bill up under suspension of the rules on June 14, just 6 days before the Congress adjourned. So it was too late for the bill to be given consideration in the other body. You can judge from this record the degree of sincerity on the part of the party then in power with respect to the social-security program. They knew, and everyone knew, that there was not time even for the other body to consider that bill because, as I say, it was considered under suspension of the rules on June 14, and the Congress adjourned on June 20. That is the record of the then majority, now the minority party, with respect to their interest in social security.

Both parties are committed in their 1948 platforms to certain amendments or revisions of the present Social Security Act. The Democratic Party platform in 1948 made this declaration:

> We favor the extension of the social-security program established under Democratic leadership, to provide additional protection against the hazards of old age, disability, disease, or death.

That was our platform.

The Republican platform promised:

> Extension of the Federal old-age and survivors insurance program and increase of the benefits to a more realistic level.

What these words "more realistic level" mean I do not know, but social-security benefits certainly did not have a very realistic level in the Eightieth Congress in 1948. The record of the Eightieth Congress was not a very realistic approach to the matter, but that is the last action of the Republicans up to now on social-security legislation.

NECESSITY FOR THE BILL

In the debate on the original bill in 1935 I stressed that "we do not claim that the bill under consideration to be a perfect measure nor one that will not require amendment from time to time in the light of experience."

Experience since 1939, the date of the last comprehensive revision of the Social Security Act, has developed practical plans for extending the coverage of the old-age and survivors insurance program. It is clear that the benefit scale established in 1939 does not now provide an adequate floor of protection against economic insecurity from old age or premature death of the family breadwinner. There is now no protection against the hazard of permanent and total disability. The purpose of the pending legislation is to widen the scope and increase the protection afforded by both the old-age and survivors insurance and the public assistance programs; yet, as stated in the committee report, it is designed "to speed the day when most of the aged and the Nation's dependent families will look to the insurance program for protection and when the role of public assistance can be drastically curtailed."

Yet in expanding coverage and increasing benefits, your committee has ever kept in mind the warning of President Roosevelt on January 17, 1935, about the importance of avoiding "any danger of permanently discrediting the sound and necessary policy of Federal legislation for economic security by attempting to apply it on too ambitious a scale before actual experience has provided guidance for the permanently safe direction of such efforts."

For reasons stated on pages 2 and 3 of the committee report on H. R. 6000, "The Congress is faced with a vital decision which cannot long be postponed." This decision is whether the insurance program of the social-security system can be strengthened and reenforced against the assaults of proponents of general old-age pensions out of the Federal Treasury, and against the challenge of the private retirement plans financed solely by the employer. Since both the Democratic and Republican 1948 national platforms pledged extension of the Federal old-age and survivors insurance program and increase of benefits to a more realistic level, it is possible to approach this decision with a minimum of, if not free from, partisanship.

BACKGROUND OF THE BILL, H. R. 6000

The Committee on Ways and Means has thoroughly considered all phases of the social-security system except unemployment insurance. On February 21, 1949, at the request of the President, I introduced H. R. 2892, relating to public assistance, and H. R. 2893, dealing with old-age, survivors, and disability insurance These bills provided the basis for consideration and discussion during the 2 months of hearings that followed in which 2500 pages of testimony were received from more than 250 witnesses. In addition to the views of the Social Security Administration, the committee has had the advantage of competent testimony from witnesses representing all schools of thought on this very important subject of social security, including employers, employees, and the self-employed, from agriculture, industry, and the professions, as well as State and local officials. The committee has also had the benefit of a very thorough study prepared by its special staff of experts in 1945, headed by Mr. Leonard Calhoun, as well as the extensive and exhaustive report of the Social Security Advisory Council of the Senate Committee on Finance, which investigated this subject last year. We have had the benefit of all shades of thought on the subject.

After nearly 4 months of study and discussion of all available information and opinion, the committee, with the assistance of an able technical staff, proceeded to draft its own bill, H. R. 6000, combining its best-considered judgment on both the public-assistance and old-age and survivors insurance programs. Every provision in this bill of 200 pages was agreed upon, if not unanimously, by a majority vote of the committee, and I am pleased to report that the decisions were as free of politics as any legislation I have ever known. Although H. R. 6000 does not go so far in certain respects as some members of the committee desired, other members felt that some parts of the bill go too far. In my opinion, the

lengthy deliberations and discussions have resulted in a bill that is free from extremes either way. And that is the legislative road I have always considered it wisest to follow.

The report on the bill contains over 200 pages and is a full and detailed explanation of the bill. Much of the bill is quite technical, and therefore somewhat complicated and difficult to understand. I am certain that all Members of the House are familiar with the complexities and intricacies of a life-insurance contract, and a program of social insurance involves many of the same basic policy questions.

Therefore, I would suggest to those who are anxious to know what the bill contains that they read very carefully the report of the committee, a copy of which was delivered last week to the office of every Member of the House. A general knowledge of the bill can be acquired by reading pages 5 to 8 of the report, and a detailed explanation of every provision is available elsewhere in the report. I am certain that any Member who may be in doubt as to the contents of the bill will very easily be able to satisfy himself on almost any point by consulting this report.

I shall now try to summarize very briefly some of the principal features of the bill.

A. OLD-AGE AND SURVIVORS INSURANCE

First. Extension of coverage: Old-age and survivors insurance coverage would be extended to add approximately 11,000,000 new persons to the 35,000,000 persons now covered during an average week. The groups added to the system under the bill are as follows:

(a) Self-employed: About 4,500,000 nonfarm self-employed persons other than physicians, lawyers, dentists, osteopaths, veterinarians, chiropractors, optometrists, Christian Science practitioners, and aeronautical, chemical, civil, electrical, mechanical, or mining engineers. Self-employed persons whose net earnings from self-employment are less than $400 per year would be excluded. The contribution rate for the self-employed would be 1½ times the rate for employees.

In extending coverage to the self-employed two considerations were kept in mind:

First. The desire of members of a particular business group or profession; and second, the probability of retirement in old age and therefore, need in old age for social-security benefits. Moreover, the inclusion of large groups of people who do not desire social-security coverage would make most difficult the administration of the system.

The proposed revision is not the last word in social-security legislation, and further study can, and should, be given to the problems of coverage of other groups whenever this may be desirable and practicable.

(b) State and local employees: About 3,800,000 employees of State and local governments, if the State enters into a voluntary compact with the Federal Security Agency, provided that such employees who are under an existing retirement system shall be covered only if such employees and adult beneficiaries of the retirement system shall so elect by a two-thirds majority.

(c) Household workers: About 950,000 domestic servants in private homes, not on farms operated for profit, who work at least an average of 2 days a week for, and earn at least $25 cash per quarter from, any one employer.

(d) Nonprofit institutions: About 600,000 employees of nonprofit institutions other than ministers and members of religious orders, but if the employer does not elect voluntarily to pay the employer's tax, the employee would receive credit with respect to only one-half his wages for the employee's tax which is compulsorily imposed upon him.

(e) Miscellaneous: Smaller groups, including processing workers off the farm, Federal employees not under civil service, Americans employed by American firms outside the United States, residents of Puerto Rico and the Virgin Islands, and salesmen and others who technically are not employees at common law, totaling one and one-fourth to one and one-half millions.

Second. Liberalization of benefits: (a) About 2,600,000 persons currently receiving old-age and survivors insurance benefits would have their monthly benefit increased on the average by about 70 percent. Increases would range from 50 percent for highest benefit groups to as much as 150 percent for lowest benefit groups. The present average primary benefit of approximately $26 per month for a retired insured worker would be increased to nearly $45.

(b) Persons who retire in the future would have their benefits computed under a new formula, with resulting benefits approximately double the average benefits payable today. The minimum primary benefit under existing law of $10 per month would be increased to $25. The maximum family benefit under existing law of $85 per month would be increased to $150, but not more than 80 percent of the average monthly wage of the insured person. Lump-sum death payments would be made upon the death of all insured persons. Under present law, lump-sum death benefits are payable only if the deceased insured person does not leave a survivor who could become immediately entitled to benefits.

The following tables taken from the committee report give a comparison of the individual benefit payments under existing law and under the provisions of the pending bill.

Table 1 sets forth the amounts of old-age insurance benefits payable to regularly employed workers at various levels of average monthly wage and for various numbers of years of coverage, under the present law and under the bill, without showing supplementary benefits for dependents.

TABLE 1.—*Illustrative monthly primary amounts*

[All figures rounded to nearest dollar]

Monthly wage while working	10 possible years of coverage		20 possible years of coverage		40 possible years of coverage	
	Present law	H. R. 6000	Present law	H. R. 6000	Present law	H. R. 6000
	Covered in all possible years					
$50	$22	$26	$24	$28	$28	$30
$100	28	52	30	55	35	60
$150	33	58	36	60	42	66
$200	38	63	42	66	49	72
$250	44	68	48	72	56	78
$300	(1)	74	(1)	77	(1)	84
	Covered in half of possible years					
$50	$10	$25	$11	$25	$12	$25
$100	21	26	22	28	24	30
$150	24	29	25	30	27	33
$200	26	32	28	33	30	36
$250	29	34	30	36	33	39
$300	(1)	37	(1)	38	(1)	42

[1] Present law includes wages only up to $250 per month.

Table 2 shows illustrative monthly benefits for a retired worker with an eligible wife, while table 3 gives corresponding figures for various survivor categories.

TABLE 2.—*Illustrative monthly benefits for retired workers*

[All figures rounded to nearest dollar]

Average monthly wage	Present law		H. R. 6000	
	Single	Married[1]	Single	Married[1]
	Insured worker covered for 5 years			
$50	$21	$32	$26	$38
$100	26	39	51	77
$150	32	47	56	85
$200	37	55	62	92
$250	42	63	67	100
$300	[2]	[2]	72	108
	Insured worker covered for 10 years			
$50	$22	$33	$26	$39
$100	28	41	52	79
$150	33	50	58	87
$200	38	58	63	94
$250	44	66	68	102
$300	[2]	[2]	74	110
	Insured worker covered for 20 years			
$50	$24	$36	$28	$40
$100	30	45	55	80
$150	36	54	60	91
$200	42	63	66	99
$250	48	72	72	107
$300	[2]	[2]	77	116
	Insured worker covered for 40 years			
$50	$28	$40	$30	$40
$100	35	52	60	80
$150	42	63	66	99
$200	49	74	72	108
$250	56	84	78	117
$300	[2]	[2]	84	126

[1] With wife 65 or over.
[2] Present law includes wages only up to $250 per month.

NOTE.—These figures are based on the assumption that the insured worker was in covered employment steadily each year after 1949 (or after 1936 as the case may be).

TABLE 3.—*Illustrative monthly benefits for survivors of insured workers*

[All figures rounded to nearest dollar]

Average monthly wage	Aged widow [1]		Aged parent [1] or 1 child alone		Widow and 1 child		Widow and 2 children		Widow and 3 children	
	Present law	H. R. 6000	Present law	H. R. 6000	Present law	H. R. 6000	Present law	H. R. 6000	Present law	H. R. 6000
	Insured worker covered for 5 years									
$50	$16	$19	$10	$19	$26	$38	$37	$40	$40	$40
$100	20	38	13	38	33	77	46	80	52	80
$150	24	42	16	42	39	85	55	113	63	120
$200	28	46	18	46	46	92	64	123	74	150
$250	32	50	21	50	52	100	74	133	84	150
$300	[2]	54	[2]	54	[2]	108	[2]	144	[2]	150
	Insured worker covered for 10 years									
$50	$16	$20	$11	$20	$28	$39	$38	$40	$40	$40
$100	21	39	14	39	34	79	48	80	55	80
$150	25	43	16	43	41	87	58	116	66	120
$200	29	47	19	47	48	94	67	126	77	150
$250	33	51	22	51	55	102	77	137	85	150
$300	[2]	55	[2]	55	[2]	110	[2]	147	[2]	150
	Insured worker covered for 20 years									
$50	$18	$21	$12	$21	$30	$40	$40	$40	$40	$40
$100	22	41	15	41	38	80	52	80	60	80
$150	27	45	18	45	45	91	63	120	72	120
$200	32	50	21	50	52	99	74	132	84	150
$250	36	54	24	54	60	107	84	143	85	150
$300	[2]	58	[2]	58	[2]	116	[2]	150	[2]	150
	Insured worker covered for 40 years									
$50	$21	$22	$14	$22	$35	$40	$40	$40	$40	$40
$100	26	45	18	45	44	80	61	80	70	80
$150	32	50	21	50	52	99	74	120	84	120
$200	37	54	24	54	61	108	85	144	85	150
$250	42	58	28	58	70	117	85	150	85	150
$300	[2]	63	[2]	63	[2]	126	[2]	150	[2]	150

[1] Age 65 or over.
[2] Present law includes wages only up to $250 per month.

NOTE.—These figures are based on the assumption that the insured worker was in covered employment steadily each year after 1949 (or after 1936 as the case may be).

The increase in benefit amounts for persons now on the rolls will be accomplished by the use of a table included in the bill. A summary of this table is presented in table 4.

TABLE 4.—*Summary of conversion table for computing new benefits for those now on the roll*

[All figures rounded to nearest dollar]

Present primary insurance benefit	New primary insurance amount	Maximum family benefits payable
$10	$25	$40
15	31	50
20	36	58
25	44	78
30	51	113
35	55	145
40	60	150
45	64	150

EXAMPLES

1. Retired worker now receiving $25 per month will receive $44 after effective date. Supplementary benefits for his eligible benefits or survivors cannot exceed $78.

2. Widow age 65 or over now receiving $30 per month (based on three-fourths of deceased husband's primary benefit of $40) will receive $45 after effective date (three-fourths of $60.)

Third. Limitation on earnings of beneficiaries: The amount a beneficiary may earn after retirement in covered employment without loss of benefits would be increased from $14.99 to $50 per month. After age 75, benefits are payable regardless of amount of earnings from employment.

B. PERMANENT AND TOTAL DISABILITY INSURANCE

First. Coverage: All persons covered by the old-age and survivors insurance program would be protected against the hazard of enforced retirement and loss of earnings caused by permanent and total disability.

Second. Benefits: Permanently and totally disabled workers would have their benefits and average wage computed on the same basis as for old-age benefits, but no payments would be available for dependents of disabled workers.

Third. Eligibility for benefits: An individual would be insured for disability benefits if he had both (a) 6 quarters of coverage out of the 13-quarter period ending when his disability occurred, and (b) 20 quarters of coverage out of the 40-quarter period ending when his disability occurred.

C. VETERANS

World War II veterans would be given wage credits under the old-age, survivors, and disability insurance program of $160 per month for the time spent in military service between September 16, 1940, and July 24, 1947.

D. FINANCING OF OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

Last but not least, I should like to deal with taxes for the old-age and survivors insurance system since it is an essential feature of social insurance that there should not only be benefit rights but also contribution obligations. The insurance tax has been frozen at 1 percent on both employee and employer for 13 years, 1937 to 1949. Under present law and under the bill, this rate would rise to 1½ percent in 1950. It is an essential sound matter of financing that the contribution rate should rise steadily over the future because the benefit disbursements will of a certainty rise for perhaps the next 40 or 50 years. In all its considerations, the Committee on Ways and Means was firm in its conviction that this system should be soundly financed so that the benefits promised could be paid.

Under present law, the 1½-percent tax rate would be effective for 2 years and thereafter the rate would be 2 percent. The committee was of the opinion that such a low tax schedule could not support adequate benefits.

Further the committee concluded that this system should be on a sound actuarial basis and should be completely self-supporting from the contributions of the participating persons and their employers. Accordingly, the bill provides that the tax rate on employers and employees should be increased to 2 percent in 1951 and then to 2½ percent in 1960, 3 percent in 1965, and 3¼ percent in 1970. These contribution rates will result in the building up of a fairly sizable trust fund, which will be invested in that soundest investment of all—United States Government securities. In answer to the critics of this method of investing the trust fund moneys, I might point out that Government bonds are purchased by banks, insurance companies, and individuals when they want to invest surplus funds in the soundest investment in the world. The investments of the trust fund will earn interest just as any other Government bonds, which will help to finance the large benefit disbursements. The bill would repeal the provision in present law authorizing appropriations to the trust fund from general revenues. Before reaching this conclusion, the committee satisfied itself not only that the tax schedule would provide sufficient funds to finance the system but also ascertained that workers insured under the system would receive protection valued in excess of their individual contributions.

E. PUBLIC ASSISTANCE AND WELFARE SERVICES

Thus far I have discussed the insurance provisions of the bill. The provisions in the bill relating to the State-Federal public-assistance programs are also of great importance to those persons who are unable, for one reason or another, to be eligible for insurance benefits. While the old-age, survivors, and disability insurance program that I have outlined will decrease the need for public assistance in the future, we should not forget the needy aged, the blind, the permanently and totally disabled, and the dependent children who do not have social insurance protection. Accordingly, the bill would strengthen and improve the public-assistance programs for these needy individuals, as follows:

First. Extension of State-Federal public assistance programs: Aid would be extended to the following persons not now eligible for assistance:

(a) Permanently and totally disabled needy persons. The Federal Government would share in the costs in the same manner as for old-age assistance and aid to the blind.

(b) The mother, or other adult relative with whom an eligible dependent child is living. The Federal Government would share in the costs of the aid furnished such mother or relative.

Second. Increase in Federal share of public assistance costs: The bill would strengthen financing of public assistance in all States, and, particularly, would enable the low-income States to raise the level of payments to needy recipients under the State-Federal program. Federal funds would be made available to the States under the following matching formula:

(a) For old-age assistance, aid to the blind and aid to the totally and permanently disabled: Federal funds will equal four-fifths of the first $25 per recipient plus one-half of the next $10 plus one-third of the next $15 with a maximum of $50 on individual assistance payments.

(b) For aid to dependent children: Federal funds will equal four-fifths of the first $15 per recipient—including one adult in each family—plus one-half of the next $6, plus one-third of the remainder, with maximums on individual assistance payments of $27 for the adult plus $27 for the first child plus $18 for each additional child in the family.

Third. Public medical institutions: The Federal Government would share in the costs incurred by the States and localities in furnishing assistance to the needy aged, blind, and permanently and totally disabled recipients in public medical institutions, instead of limiting Federal participation to costs incurred for recipients residing in private institutions as provided in present law.

Fourth. Direct payment for medical care: States would be authorized to make direct payments to doctors or others furnishing medical care to recipients of State-Federal public assistance.

Under existing law the Federal Government does not participate in the cost of medical care for recipients unless payment for such care is made directly to the recipient.

Fifth. Child welfare services: Authorization for child welfare services would be increased from $3,500,000 per year to $7,000,000, for service in rural areas or areas of special need. The use of child welfare funds would be authorized for purposes of returning interstate runaway children to their homes.

Sixth. Puerto Rico and the Virgin Islands: The four categories of public assistance would be extended to Puerto Rico and the Virgin Islands, but the Federal share of assistance payments would be limited to 50 percent. The maximum Federal payment would be $15 for a recipient of old-age assistance, aid to the blind, or aid to the permanently and totally disabled, and $9 for the first child and $6 for each additional child in an aid to dependent children family.

Seventh. Cost: The over-all estimated additional cost to the Federal Government for the public assistance and welfare services amendments would be $256,000,000 annually.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I would like to ask what, exactly, is the status of an employee? For example, there are several paper mills in my district, and in my State, and in reading over this bill I wonder where the operators of the paper mills' responsibility begins and where it ends. There is considerable pulp cut by contractors. Who would be responsible for keeping track of that particular situation?

Mr. DOUGHTON. Of course, that was one of the most controversial problems that we had to deal with. We had before us the Treasury officials, representatives of the Social Security Administration, and heard testimony from the taxpayers. We heard all shades of thought on that subject. If the Treasury administers the law as it says it will, there will be no trouble about who is covered. As to exactly who will be covered and who will not be covered, I do not believe you could write that into statutory law. There must be some discretion, as you know, if this law is to be administered according to the intent of the Congress. The benefits of any law depend upon its administration. You might take the Ten Commandments to administer, but if they are not understood and not lived up to, what would be the result? We have to leave it to those who administer this law, and give them some discretion as to who is covered as an employee and who is not. In the same way, we have to leave it to the local welfare boards to determine who is in need; we have to leave it to the doctors to say who is permanently and totally disabled.

Mr. LYNCH. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from New York.

Mr. LYNCH. I think the answer to the gentleman's question is this, that if the subcontractor is in reality a real contractor, if he has money invested in his equipment, if he does not do any work personally, if he has employees, he does not come in under this bill as an employee but would probably come in under the provision of self-employed. I do not know whether that answers the question precisely.

Mr. MURRAY of Wisconsin. I want to get the facts in the case. If we pass a bill we ought to know what we are passing.

Mr. DOUGHTON. I agree with the gentleman.

Mr. MURRAY of Wisconsin. Here is a company, regardless whether it is a paper mill or any other company, but it has subcontractors and it contracts with these men for so much pulp, we will say. Does the corporation assume the responsibility, keep track of the social-security numbers and payments for instance, or does the subcontractor have that responsibility?

Mr. DOUGHTON. I am not a lawyer, and I do not understand the technical and legal terms as well as my good friend the gentleman from New York [Mr. LYNCH], the gentleman from Tennessee [Mr. COOPER], and the gentleman from Arkansas [Mr. MILLS] and others.

Mr. LYNCH. I think the answer is simply this, that if the subcontractor, for instance, is a corporation and that corporation employs loggers, there is no question as to who pays the social-security tax. The corporation pays and the individual pays insofar as social security is concerned. When the gentleman said a subcontractor, I assumed he meant an individual. If the individual to whom he refers does all the work himself, then he ordinarily would be considered in the capacity of an employee of whoever it was that engaged him. If, on the other hand, the subcontractor has money invested and there are tools and equipment so that in truth and in fact it might be said in your own mind that he is the real employer, then he is an employer insofar as he pays, say 1 percent social security as an employer and 1 percent is deducted from the wages of his employees. If he is an individual, then he himself under this bill may be included as one who is self-employed and pays 1½ percent, approximately, for his social-security insurance. Does that answer the gentleman's question?

Mr. MURRAY of Wisconsin. Let us get it straight now. The gentleman is a corporation and I am going to cut some pulpwood for him. I have three fellows working for me. Is it the gentleman's responsibility to see that they have their consideration, or is it mine?

Mr. LYNCH. It all depends upon the facts involved. If you are one who has money involved in that business and if you in turn have equipment, and if you supply the equipment to these three workingmen that you have——

Mr. MURRAY of Wisconsin. Axes, for instance.

Mr. LYNCH. Axes, and all the other equipment that might come with doing contract work, then under those circumstances you would be looked upon as the employer. There is no question about that whatsoever, if you in turn are the one who, as I say, has the capital investment, who has the equipment and supplies and those other necessary things.

Mr. MURRAY of Wisconsin. Mr. Chairman, I would not want to leave the impression that I am opposed to social security.

Mr. DOUGHTON. I understand that.

Mr. MURRAY of Wisconsin. Before I became a Member of Congress even when I had only one fellow working for me, I always saw to it that he got his social security.

Mr. DOUGHTON. He was working for you or he was working with you?

Mr. MURRAY of Wisconsin. He was working for me.

Mr. DOUGHTON. When I work on the farm, when I work in my office, or when I work anywhere, and somebody else works we work together. I always feel that he is working with me and not for me.

Mr. MURRAY of Wisconsin. I paid my share of social security so he could build up his social security standing.

How about the farmers, then? They do not come under it at all?

Mr. DOUGHTON. Whenever a majority of them signify their desire to be covered, I think it would be appropriate to cover them. So far we have had no evidence that a majority of them have such a desire. There is little interest or enthusiasm among the farm organizations about it.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Tennessee.

Mr. COOPER. May I invite the attention of the gentleman from Wisconsin to pages 86 and 87 of the committee report, which gives some specific examples on the very question about which the gentleman is inquiring.

Mr. DOUGHTON. I thank the gentleman from Wisconsin for inquiring and I thank my colleague, the gentleman from New York [Mr. LYNCH], and my colleague, the gentleman from North Carolina [Mr. COOPER], for their contributions.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Illinois.

Mr. CHURCH. On this question of employees, I feel that I should rely on the chairman's statement that in the last analysis it is the department's regulations that will make the definitions that will affect the situation as to who is the employee.

Mr. DOUGHTON. Within certain definite limitations.

Mr. CHURCH. The gentleman said it would be left to the department.

Mr. DOUGHTON. Yes.

Mr. CHURCH. In view of the statement of the gentleman from Tennessee, I think it is clear that it would be left to the department. However, if the department does not settle that question in its regulations, and then 5, 10, or 15 years from now it changes its definition or changes its regulations, what kind of chaos will you have then? How much does this little logroller and these other people have by way of uncertainty as to back wages, back claims, and such, keeping in mind that it is the department that makes the definition and it is the department that next year and the next will change its mind?

Mr. DOUGHTON. The gentleman has raised a very pertinent question. Does he have a definition which he can give to the House?

Mr. CHURCH. If I did, I could not get it into this bill because I would have no opportunity to offer it as an amendment. Yes, I think your committee should have defined the word "employee" in every instance as it is affected in this bill.

Mr. DOUGHTON. This bill has to go to the other body. We do not claim it is perfect. The gentleman will have an opportunity to make his case over there. No doubt they will have extensive hearings on this subject as we had. I am sure every provision of the bill will be gone over carefully.

Mr. CHURCH. Does the gentleman want the other body to do our thinking for us?

Mr. DOUGHTON. No, no, that is not the situation at all. If the gentleman wants to appeal his case, why there is another court to which he can take his appeal.

Mr. LYNCH. In answer to the gentleman I might say that when the department makes regulations, it must make regulations within the confines of the definitions set forth in this bill. When the gentleman says that he did not have an opportunity to offer a substitute for what we have in the bill, I must point out, Mr. Chairman, that we have had more than 6 months of public hearings. Every Member of Congress had an opportunity to come in and express their own opinion, or give any kind of a definition that they wanted to give. Nobody has done so. The committee has worked out this definition to a certain extent in accordance with the interpretation of the Supreme Court. This is a definition that the committee has given and within this definition and no other can the department make any regulations.

Mr. DOUGHTON. Has the gentleman from Illinois [Mr. CHULCH], read our committee report? If he has, I think he will find the information he seeks in the report.

Mr. CHURCH. I have tried to rush through it. I understand that we may have three more days' debate on this measure, then I understand when we have let the other body do our thinking for us next year, we can undo what we are doing now.

Mr. DOUGHTON. Well, another Congress, of course, can undo what we are doing now. The gentleman knows that this Congress cannot bind the next Congress. We cannot tell what the next administration will do. Of course we cannot tell that.

Mr. LYNCH. Mr. Chairman, it is apparent that the gentleman has not done any thinking on this bill up to the present time. Now, if he has not done any thinking up to the present time on this bill, or if he has not read this report, it would seem to me when he states that he has not had an opportunity to present his views, that is not in accord with the actual situation.

Mr. DAVENPORT. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. DAVENPORT. I would like to ask this question, because I have been asked it so many times back home. We have thousands and thousands of insurance agents in Pittsburgh and outside salesmen engaged in the wholesale trade. How does this bill affect them?

Mr. DOUGHTON. I yield to the gentleman from Arkansas [Mr. MILLS]. He is a lawyer and he knows more about the legal technicalities of the bill than I do.

Mr. MILLS. It is quite difficult, as the distinguished chairman of our committee knows, to answer a question such as the gentleman from Pennsylvania puts with a straight yes or no. The definition of the term "employee" will take in under social security as employees some 500,000 or 750,000 people who would not be employees under the strict technical terms of a common-law definition. It is the purpose of the committee, as I understand, to take in these outside salesmen for wholesale companies on a commission basis as employees and to take in these life-insurance salesmen that he has referred to on the basis of being employees. To say that everyone in that occupation in Pittsburgh would come in as an employee, no one could do. It will depend largely upon the actual facts of the relationship, rather than the technical, legal definition of the common-law rule.

For the information of the gentleman from Pennsylvania, I suggest that he read particularly pages 81 and 82 of the report.

Mr. DOUGHTON. I thank the gentleman from Arkansas [Mr. MILLS].

The CHAIRMAN. The gentleman from North Carolina [Mr. DOUGHTON] has consumed 1 hour.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to continue.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. ROGERS of Florida. I would like to know the interpretation of the committee with reference to bringing self-employed individuals under the provisions of this bill. I understand that they must pay up to $3,600.

Mr. DOUGHTON. That is taxable self-employment income base. Anything above $3,600 is not taxed. All up to that would be subject to tax, if he comes under the provisions of the act. He must have a certain income, at least $400 a year, before he is covered.

Mr. ROGERS of Florida. Suppose an individual makes $10,000 and does not want to come in. Has he any right to elect?

Mr. DOUGHTON. No. He has no discretion. He ought to be willing to pay the small amount he has to pay for the support of the fund in order to be eligible for benefits.

Mr. ROGERS of Florida. Was there any evidence of a desire on the part of that class to come under this act?

Mr. DOUGHTON. Yes, sir.

Mr. Chairman, I have described very briefly the major accomplishments of the present social-security law as to old-age and survivors insurance and public assistance. Correspondingly, I have set forth the improvements which the bill would accomplish. Our committee has worked long and diligently on this matter and has done the very best work possible. What we have done will not satisfy everybody—some will want more and some will want less—but we do feel that we have set before you a well-considered, financially sound plan which will be of great benefit to the country. We do not claim that we have reached ultimate perfection in social-security systems, but we do claim that we have approached the subject as fairly and practically as humanly possible at this time. Social security is a matter which will always require continuous study and improvement; but if this measure is enacted into law, the United States will have a social-security system of which it can well be proud and which will be of lasting benefit to the stability and prosperity and well-being of the Nation.

The CHAIRMAN. The gentleman from North Carolina has consumed 1 hour and 2 minutes.

Mr. CHURCH. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CHURCH. Mr. Chairman, in this period of so much selfishness, greed, and disregard for others, it is indeed inspiring to learn of an extraordinary act of heroism by a small girl at the risk of her own life to save the lives of those she loved.

It is with immeasurable pride that I wish to call the attention of the House to such love, devotion, and valor on the part of Roberta Lee Mason, only 14 years of age, who lives near Des Plaines, Ill. And I take considerable pride in the manner in which the fine people of this area responded to her unselfish act.

She is a member of a family of modest circumstances. But it is apparent from her action that in their love and devotion to each other the family had more than all the riches in the world could bring.

Although only 14 years of age, she was left in charge of the Mason children—four brothers and sisters—while the parents were at work. An explosion of an oil burner sent flames racing through the frame house, leaving little chance for anyone to escape.

But this little girl found a way. Even though her own clothing was on fire, she brought her brothers and sisters to safety. In her outstanding heroism, she suffered severe burns on her hands, arms, face and hair, for which she has been hospitalized. There are no words that can describe her suffering, as there are no words adequately to describe the love and unselfishness that make her an example of all that is humanly fine and great.

This girl's deed touched the heart of Des Plaines and the entire Chicago area. Without pay, a new home was completed for the Mason family by all the unions involved in building construction. All the building materials and home furnishings were supplied by business concerns. I cannot recount how the friends, neighbors and strangers gave assistance to this brave girl and her stricken family. Around $12,000 was donated in cash to be put in a trust fund for Roberta Lee's education.

This is a remarkable story, and I consider it worthy of national attention. In commemoration of this brave girl's deed I have introduced a bill authorizing the Postmaster General to issue a special postage stamp. I hope that the Committee on Post Office and Civil Service will give favorable consideration to this proposed legislation, or that the Postmaster General will, by virtue of the authority he already has, proceed to have such a stamp issued.

Mr. Chairman, in conclusion I should like to express my commendation of the city council of Des Plaines, Ill., who by formal resolution brought this matter to my attention and suggested the resolution I have introduced.

Mr. JENKINS. Mr. Chairman, I yield myself such time as I may require.

I ask unanimous consent to revise and extend the remarks that I make at this time, Mr. Chairman.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. JENKINS. Mr. Chairman, I shall further develop the discussion between Mr. DOUGHTON and Mr. MURRAY of Wisconsin. The distinguished gentleman from Wisconsin [Mr. MURRAY] has just propounded a very profound question to my distinguished chairman [Mr. DOUGHTON] and has touched upon one of the sore spots in this bill. He got no conclusive answer. The answers that he got show conclusively that nobody knows who is an employer as defined in this bill.

A year or two ago there developed a severe conflict between the Social Security Board and the Treasury over this matter of who is an employee and who is not. The Social Security Board felt that it had the right to determine who should draw benefits, regardless of whether or not the employer of that individual felt that that person should draw benefits. In other words, under the law, two parties, the employer and the employee, must agree, that there is the relationship of employer and employee existing between them. They must agree, and then one pays 1 percent of his wages into the social-security fund and the other pays 1 percent. No money should be paid into the United States Treasury nor out of the United States Treasury on this program to anybody unless the relationship of employer and employee has been established. But the Social Security Board paid money to thousands of people whom the Treasury held had no right to receive that money and that the Board had no right to order that money paid. Many so-called employees drew benefits upon whose so-called employment nobody had paid any tax. So out of that great conflict between them came this bill. Those were the people that Mr. Truman referred to in his campaign when he said we, the Republicans, had taken off the pay roll to the extent of 750,000. The 750,000 persons had been put on illegally, by the Social Security Board. The Treasury, in effect, said so. The Treasury was then as it is now a Democratic Treasury. Of course the Social Security Administration was thoroughly Democratic. However, the Social Security Board refused to heed the warning of the Treasury and went right ahead anyway—spent the money illegally.

In the Ways and Means Committee and in the legal profession throughout the country there arose great concern over the action of the Social Security Board arbitrarily ordering money to be paid to these men who had no legal right to receive it. From this arbitrary and illegal action of the Social Security Board and the resentment that the people felt about it, the Gearhart amendment was prepared. It passed the Ways and Means Committee and in due time this amendment was passed by the Congress of the United States. This was all done to prevent the bureaucratic and unlawful activity of the Social Security Board. The present law referring to this matter and including the Gearhart amendment is as follows:

(1) Employee: The term "employee" includes an officer of a corporation, but such term does not include (1) any individual who, under the usual common-law rules applicable in determining the employer-employee relationship, has the status of an independent contractor of (2) any individual (except an officer of a corporation) who is not on employee under such common-law rules.

That amendment supported the Treasury of the United States in its viewpoint. But the Social Security Board was never satisfied; that group will never be satisfied until they bring everybody under their control, and that is what the Social Security Board was trying to do then just simply by its own edict, to bring people under the law when the Treasury said they had no right to be there. The Gearhart amendment was worded very simply but it was sufficient. It clarified what we call the common law. Some principles of law are so old and have been recognized by the courts so long they become as immutable as the law of the Medes and the Persians of the Bible. The law of master and servant is so well recognized as to be known as the common law. What is the common law in these social-security matters? The common law is that the relationship of master and servant must be established, the relationship of employer and employee. How do you establish or prove the relationship of employer and employee? You establish it by some kind of contract, either express or implied. If I walk into a store and buy a suit of clothes and take it home without asking the price I am presumed to be willing to pay the price, impliedly. If the clerk and I agree on a price then I pay that agreed price. If I have a dentist do some work for me and do not ask him how much his work will cost, then impliedly I have agreed to pay the price he asks, and that is a contract. There has to be an arrangement of some kind. It is the same with a man who wants to pick the other fellow's beans, tomatoes, or whatever it is; there the same principle applies. If a difference arises between the buyer and the seller over the contract, then the judge decides; if a difference arises between the merchant and me over the price of a suit of clothes or between the dentist and me over the price of the work he did for me, then the judge and the jury hear it and decide what the facts are. So, of course, somebody must decide these matters. Let us see how this bill proposes to decide who is an employee. Turn to page 48 of this bill and see how much space it takes, how many words it takes, to define the word "employee." It states:

Employee:
(k) The term "employee" means—
(1) Any officer of a corporation—

That language was put in that bill, of course, so that there might be no misunderstanding as to the status of an officer of a corporation; otherwise he might not be considered to be an employee eligible to come under the Social Security System even though he would be drawing a salary. Then it goes on—

Or—
(2) Any individual who, under the usual common-law rules applicable in determining the employer-employee relationship, has the status of an employee.

That would have been enough had the definition stopped right there. But this Social Security Board was not satisfied with the courts; it wants to decide everything. Let us see how much space it

takes in this bill before us to define this one word "employee." It starts on page 48. It continues throughout the entire page 49, through all of page 50, and most of page 51. They designate a whole lot of groups as employees just to be sure they keep them in; otherwise, probably even the Social Security Board would not have the conscience to put them in as it had done before. But they are included in the law by the language of this bill. Then we go over on page 51 and this is where the gentleman from Wisconsin [Mr. MURRAY] comes in if he comes in at all. I do not know that there are any two lawyers on the committee or any place else who can agree on what this language on page 51 means. This is the language to which I refer:

The term "employee" means—

(4) Any individual who is not an employee under paragraph (1), (2), or (3) of this subsection but who, in the performance of service for any person for remuneration, has, with respect to such service, the status of an employee, as determined by the combined effect of (A) control over the individual, (B) permanency of the relationship, (C) regularity and frequency of performance of the service, (D) integration of the individual's work in the business to which he renders service, (E) lack of skill required of the individual, (F) lack of investment by the individual in facilities for work, and (G) lack of opportunities of the individual for profit or loss.

This language is most confusing. The committee recognizing this fact sought to clarify the language by inserting in its report filed with this bill a number of hypothetical illustrations to show what would be required in order for a person to be entitled to be considered to be an "employee."

Let us look further as to what that language means.

(4) Any individual who is not an employee under paragraph (1), (2), or (3).

Let us see what is going to happen to any individual that does not come within paragraph (1), (2), or (3). Under paragraph (4) they seek to include any persons who cannot come under paragraph (1), (2), or (3). They are going to take all such persons in with one fell swoop if they do not come in under (1), (2), or (3).

This is what the bill says in paragraph (4):

But who, in the performance of service for any person for remuneration, has, with respect to such service, the status of an employee.

How can you determine what is the meaning of status of an employee as in that paragraph? It is very confusing. And again let us read further in paragraph (4):

As determined by the combined effect of (A) control over the individual, (B) permanency of the relationship, (C) regularity and frequency of performance of the service, (D) integration of the individual's work in the business to which he renders service, (E) lack of skill required of the individual.

In other words, if you are not skillful you cannot be an employee any place, but if you are too skillful you are liable to be included when you do not want to be included. Let us consider category (F).

(F) Lack of investment by the individual in facilities for work.

The poor man who has no money cannot get into that status at all. If he has money invested; if he can put in some money he is included.

And category (G).

(G) Lack of opportunities of the individual for profit or loss.

Mr. Chairman, it seems to me that in this effort to include every possible individual they have so confused the subject that it will be difficult for any man being subject to these provisions to tell whether he is included or excluded. I am sure that any lawyer reading this attempted definition of an employee would throw up his hands in despair if he were asked to render an opinion as to whether a certain individual was an employee. This wordy definition is too confusing. The small-business man will be at a loss to know what to do.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Nebraska.

Mr. CURTIS. Referring to the language that the gentleman just read, particularly to line 8 on page 51, it says "as determined." As determined by whom?

Mr. JENKINS. The gentleman asks a very pertinent question. I answer him by asking him "determined by whom?"

Mr. CURTIS. As determined by the Social Security Administrator and the Treasury?

Mr. JENKINS. Certainly so.

Mr. CURTIS. Lawyers could not look at that and advise a client. The people we are dealing with here are employees or not employees.

Mr. JENKINS. The gentleman is exactly right.

Mr. CURTIS. There is nothing in there to prevent the Treasury from coming in years afterward and saying that by this hocus-pocus of (A), (B), (C), (D), and (E) they all come in. They put any value or any effect they want to on those sections and come up with the answer that these people are employees and therefore you owe 5, 6, or 10 years' taxes.

Mr. JENKINS. Yes. This confusion should not obtain. This matter must be clarified. This confusion comes up because of the disposition of the Social Security Board to overstep its jurisdiction last year.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Here is the manner in which a governmental agency might very well construe this language under subparagraph (4) page 51:

Any individual may be held to be an employee, although he is not such under paragraph (1), (2), or (3) of this subsection but who, in the performance of service for any person for remuneration, has, with respect to such service, the status of an employee, as determined by the combined effect of (A) control over the individual, (B) permanency of the relationship, (C) regularity and frequency of performance of the service.

Here is the joker that could bring them all in as employees.

Integration of the individual's work in the business to which he renders service.

A man's service may be held to become an integral part of, his services may mesh in with and contribute to or affect in some remote direct or indirect manner the combined labor of all these people, and an administrative interpretation and finding will make him an employee, certainly so, when a bureaucrat bent on making him such would construe him to occupy the relationship of an employee.

Mr. JENKINS. That is true. I will ask the gentleman a question. He has been a judge and everybody knows he is a learned man.

I will put this question. Let us be serious.

This section says "as determined by the combined effect of" seven different tests. Then, how would you determine how much weight you would give to each test; would you divide 100 percent by 7 and give to each test 14 percent?

Mr. JENNINGS. All these provisions become a part of the whole, and any one of these elements, in my opinion, leaves the door open for Federal agency construction and for bureaucratic interpretation, and then the citizen who never intended to enter the relationship of an employer finds himself years later held to be such. In other words, here is a circus tent and this is the entrance. You get the camel's head under the tent, and then the whole animal is under the tent by interpretation, fact findings, and decrees by some appointed Federal bureaucrat.

Mr. JENKINS. Let me ask another question. Suppose your client has been put through this searching test and he has failed to qualify on about one-third of these and he is aggrieved by the finding of the board, what is he going to do about it?

Mr. JENNINGS. He cannot effectively do anything. Ordinarily when you get caught by one of these agencies and it finds the facts against you, and you undertake to relieve yourself in the courts of the land, you enter the court with three strikes on you, because if there is any evidence at all to sustain the finding of the agency on the evidence, the court will not pay any attention to you on the facts. The findings of the agency are binding on the aggrieved citizen and conclusive on the court.

Mr. JENKINS. I doubt very much whether you could get into any court.

Mr. JENNINGS. You might get into court, but you could get no relief.

Mr. JENKINS. You might have to show fraud or some other legal reason.

Mr. CURTIS. Mr. Chairman, if the gentleman will yield further, I would like to ask the learned jurist from Tennessee a question that I propounded in the committee, and I was unable to get any enlightenment on, referring to section (b)

line 10, permanency of the relationship. If an individual is in truth and in fact an employee or not an employee, how can permanency of the relationship change it one way or the other?

Mr. JENNINGS. I do not think it would make any difference, but no man can assure himself that there exists a yardstick or any criteria or any certainty about the interpretation of any law of Congress, because a member of the present Supreme Court said that because the Congress in an act or in a law it passes uses clear and unambiguous language, it by no means follows that in the interpretation of such an act, is a simple matter; that for the Court to so hold, he said, would be "oversimplification."

Mr. JENKINS. Yes.

Mr. JENNINGS. In other words, the construction of an act never gets simple.

Mr. JENKINS. It is too good.

Mr. JENNINGS. You never know what the Court will hold from past decisions.

Mr. CURTIS. Is it the gentleman's understanding of this paragraph 4 that the Treasury and the Social Security Administrator will say that you are an employee or you are not one? Is that what it boils itself down to?

Mr. JENKINS. That is the way it seems to me. I do not see how you could ever get out of it. Anyway you proceed you will become entangled in it and I do not see how you can get out of it.

Mr. CURTIS. In one of the preceding paragraphs, suppose there is a relationship between the parties and one is not the employee of the other, but they write a contract that is contrary to the facts that recite that they are employees; what about that contract?

Mr. JENKINS. Well, I think in the discussion in the committee, did we not decide that he would be considered an employer under those circumstances?

Mr. CURTIS. Yes.

Mr. JENKINS. I think regardless of what the facts were, they would hold him in anyway.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Arkansas.

Mr. MILLS. In response to the suggestion of the gentleman from Tennessee that there would be no recourse on the part of any employer or employee regarding the interpretation placed upon this language by the Treasury Department, I am sure my friend from Ohio would not want the record to suggest that the man would have no right of appeal to any court at all.

Mr. JENKINS. I do not know. I am just asking the gentleman whether he has.

Mr. MILLS. The gentleman from Ohio knows that this is a matter involving the payment of a tax, and that the taxpayer, the employer, has the right to go to court any time he is not satisfied with the interpretation by the Treasury Department of what the law is as applied to the facts.

Mr. JENKINS. The gentleman is wrong about that.

Mr. MILLS. The gentleman from Ohio knows that the gentleman from Arkansas is right, because 20 percent of the cases in Federal court today involve interpretations of the tax law, and that is what is involved here.

Mr. JENKINS. Let us get our minds together now. This is the proposition that I think the gentleman has in mind. Of course, any taxpayer, if the tax authorities are not administering the law properly, and it involves an amount of money to be collected or it involves the question of whether or not the item the Government is seeking to hold him for is taxable, and he maintains it is not, or it is a matter of a credit or an offset, or things like that, then he can get into court. But this is not that kind of a matter. This is a matter that is fixed by the law. The law assumes to give a man a fixed status. If the law says he is an employer then he can do nothing about that. Somebody has the final authority to say who is an employee. He is an employee when that somebody says he is or he is an employer when that somebody says he is. They have already said it, and the law then says that that employee has to pay his 1 percent and that employer has to pay his 1 percent. That is all there is to it.

Now, who decides it? I will tell you who is going to decide it under this law. The law goes around and around, about four pages, trying to say who is an employer. It finally says it shall be the Social Security Board that shall determine it. There it is. You have to take it or leave it.

While I am talking about that, if we had had a chance to amend this bill that would have been one of the things we would have changed. We would not have passed that on to the Senate of the United States to change it, because that is a matter that belongs to us. It ought not to be easy for us to say that we will pass it on to the other body and let them take care of it. It is our responsibility under the Constitution, and we have frittered it away. We have a right to say who shall pay taxes, and we have frittered it away. We have given it to the Social Security Board to say who shall pay taxes. When that Board says that a certain man is an employer the tax authorities will hold him to pay the tax.

Mr. MILLS. Let us look at the record.

Mr. JENKINS. I am satisfied with the record, as far as I am concerned.

Mr. MILLS. The gentleman keeps referring to the Social Security Administrator in connection with this question. This is a matter within the province of the Treasury Department, because it involves a question of tax collection.

Let me ask the gentleman this question: If it was possible for the silk people to get into the Supreme Court, Bartels and the rest of them, how does he think this language will prevent any taxpayer who does not agree with the interpretation of the Treasury regarding that language from getting into Federal court over the question of the payment of social-security taxes? The gentleman knows they will be permitted to get into court.

Mr. JENKINS. That is exactly the reason this has been put in this bill, so they can fix the responsibility, and they will fix it.

Mr. MILLS. The gentleman knows that you cannot keep a man from going to court in connection with a tax.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Nebraska.

Mr. CURTIS. The people who will be kicked around under this provision are the little folks who cannot go to the Supreme Court of the United States.

Mr. JENKINS. Of course.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Michigan.

Mr. FORD. I think it is correct to say that there is opportunity for a person who is accused of not paying the tax to either pay the tax and sue to collect it or contest it in the first instance. If my recollection is correct, there are two possibilities, one before the Tax Court, and the other in the United States district court.

Mr. MILLS. That is right in the case of income and estate and gift taxes. Controversies over employment taxes are not within the scope of jurisdiction of the tax courts, however.

Mr. FORD. The problem, however, is that you have a small-business man who comes to you as a lawyer and asks for an interpretation, "Are my employees covered? If they are, I have to pay the tax. If they are not covered, I do not have to pay the tax." You as a lawyer have the responsibility of making a decision based on provisions in the law. It was a most difficult job to advise anyone with any degree of certainty. You will find, if you check the reports of the Tax Court and of the various district courts, that there are a number of cases based on a multitude of fact situations, and you cannot pick out any line of decisions on a specific decision that will be of material help to a practicing lawyer or to the businessman. Until the Gearhart resolution it was virtually impossible to determine whether certain employees were covered.

Mr. MILLS. The gentleman from Michigan has put his finger on a very important thing. It has been difficult in the past, without any definition whatsoever of the term "employee" except the resolution we passed in the Eightieth Congress, for a lawyer to advise an employer whether this man is an employee or not, because it is a factual situation.

The gentleman knows that a common-law rule as applied in the Federal courts in the State of Michigan may differ considerably from the common-law rule as applied in the Federal courts of the State of Arkansas. There is a considerable difference among Federal courts. The purpose of the committee here was, for the purpose of tax collections, to lay down a definable standard which applied across the board in all States.

Mr. FORD. May I ask the gentleman one more question?

Mr. JENKINS. I yield.

Mr. FORD. I happen to have had some personal experience as an attorney with the law prior to the change made in 1948. Before 1948 the law was a maze. The changes made in 1948 aided all concerned. Is this definition in H. R. 6000 materially different from the act as it was prior to the Gearhart amendment?

Mr. JENKINS. Certainly it is entirely different, because there was no spoken word about it. We just relied upon the matter of the contractual relationship of master and servant. Then the Department of Public Welfare went on, as I told you before, to take the law in its own hands, and finally we passed the Gearhart amendment which clarified the situation. But we did not clarify it to suit them, because we took the power away from them. Now they want us to give it back and reassert that power. Did I answer the gentleman?

Mr. FORD. In part.

Mr. MILLS. There was no definition, as the gentleman from Ohio pointed out, until the Gearhart resolution. All we had to go upon were these multiple cases in the courts and finally a few cases in the Supreme Court. The Silk case was decided, which based the question of employment on economic reality. The Congress rightly decided that we did not want any such indefiniteness in any law relating to taxation, so we passed the Gearhart resolution. This bill does not undo and restore that interpretation of the Supreme Court to the effect that this matter of status of employee depends entirely upon economic reality. It is more restrictive than the decision in that case.

Mr. JENKINS. The very purpose of this program was to nullify the Gearhart amendment.

Mr. MILLS. Yes.

Mr. JENKINS. That was preached in the last campaign all over the Nation. That is what beat Mr. Gearhart. That is how the President of the United States beat Mr. Gearhart, by going out over the country and talking about his resolution. And with all the power that the President had over a poor Congressman, poor Mr. Gearhart went down. That is what happened. If his constituents had appreciated the great service he had done, they should have rallied to his support.

Mr. MILLS. My point is that by undoing the Gearhart resolution we did not go back as far as the Supreme Court went in its dicta in the Silk case.

Mr. JENKINS. No; that is the trouble. You do not go back at all. You go forward; you go forward and claim territory which you are not entitled to.

Mr. MILLS. We do not go as far as we should.

Mr. FORD. If I may ask one more question, Is this provision in the bill a modification of the administrative rulings or the Treasury's ruling plus an expansion of the coverage?

Mr. JENKINS. I hardly know how to answer the gentleman. These provisions sought to nullify the Gearhart amendment and to supplant the common-law rule that had previously obtained.

Mr. MILLS. Will the gentleman yield?

Mr. JENKINS. I yield.

Mr. MILLS. My good friend the gentleman from Tennessee [Mr. JENNINGS], for whom we all have great respect, as a lawyer and former judge, knows that these very factors mentioned here all appear in the restatement of agency as the factors which determine agency to exist.

Mr. JENNINGS. Mr. Chairman, may I ask the gentleman this question?

Mr. JENKINS. I yield.

Mr. JENNINGS. Does anybody know who the author of this bill is, or is it a composite product of a number of minds residing in different craniums, none of which are identified and none of whom can we put our finger on, unless somebody just comes up and makes a full disclosure as to who is the author of this measure?

Mr. JENKINS. I do not think anybody wants to claim that honor.

Mr. JENNINGS. Can anybody know and can anyone forecast what the decision of the present Court of last resort would be on any given set of facts? I do not mean to assail that Court or any other court, but if I were going to, I would just adopt the language of the members of the Court with respect to one another. Mr. Justice Roberts said, not so long ago, with respect to a decision which overturned a line of precedents, which had been the law of the land for some 75 years:

> The decisions of this Court have now become like a limited railroad ticket—good for this day and this train only.

No lawyer, with respect to the interpretation of a Federal statute, could, with any degree of security, advise his client what would happen to him under this new law. We are writing a new law. Nobody knows what the actual authors of this bill had in view, except I am inclined to suspect that their purpose is to make this all-embracive measure cover everybody who works for anybody.

Mr. JENKINS. Perhaps I can help you a little in that respect. I think the majority report goes to great length to cite some illustrations or instances that would be outside of this definition. In other words, they recognized fully that this definition did not mean anything without some collateral explanations. Their report is full of instances showing who they think would be in and who would be outside the purview of these definitions on pages 44 to 51 of the bill H. R. 6000.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. SIMPSON of Pennsylvania. Is there any assurance under this bill H. R. 6000 that a man will be held by the Social Security Board and by the Treasury Department as being an employee? Might he not find himself as a person employed under one department and not under the other?

Mr. JENKINS. Yes. I think we would have some illustrations where a man would have trouble determining whether he is an employee of somebody or whether he is employed by himself.

Mr. SIMPSON of Pennsylvania. Several thousand people have been held by the Social Security Board to be employees and the Treasury Department held they were not.

Mr. JENKINS. Yes. That is a profound and distressing fact. I am afraid that those who have attempted to wreck the Gearhart amendment have set up a legislative device that may yet prove very troublesome to them.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. MACK of Washington. I want to ask the gentleman concerning the exclusion of newspaper publishers from the benefits of this act. Page 54, line 19, reads:

> There shall be excluded income derived from a trade or business of publishing a newspaper or other publication having a paid circulation, together with the income derived from other activities conducted in connection with such trade or business.

There are about 20,000 or 25,000 weekly newspapers in the United States. They are published by small publishers. Nearly all of those businesses are not incorporated businesses. They are operated as partnerships or private businesses. Under this act these publishers will be entirely excluded from the benefits of this act, although the baker, the butcher, the laundryman will get these benefits. I am going to be asked when I go home why we were excluded and marked out as a class not to enjoy the benefits of this legislation.

Mr. JENKINS. I cannot answer that, and that is just another instance where, if we had an opportunity to discuss this bill and offer amendments, the gentleman could have presented his claim and probably made out a good case. But this gag rule has prevented him from doing anything but point out this glaring inconsistency.

Mr. MACK of Washington. I am the publisher of a daily newspaper. I own 99 percent of the stock. It is an incorporated business. I am covered by social security. These little weekly newspaper publishers, oftentimes operated by a man and his wife, would be excluded from the benefits of this act, which I enjoy; and that is not right.

Mr. JENKINS. The gentleman is correct.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. HARRIS. Speaking again to the definition of "employer," the gentleman referred to the fact that there was a difference of opinion as to the interpretation that might be placed on the definition as included in the bill in two different places. The gentleman also referred to the fact that the committee did not themselves perhaps know what the proper definition was that might be placed on it and left it to some board,

and, consequently, had to give some examples in the committee report.

Mr. JENKINS. That is right.

Mr. HARRIS. Now, can the gentleman tell the House—incidentally, those involved in various types of businesses, as has been set out in these examples, in the administration of the law would the Board necessarily have to follow and act in accordance with the definition in those examples as set out here, with reference to automobile dealers, contract loggers, book-plant operators, and so forth, on pages 86 and 87? There are several examples outlined. In the administration of them, even if there are differences of interpretation of the definition, would the Treasury Department, for social-security tax-collection purposes, agree and administer the act in accordance with those examples here?

Mr. JENKINS. I am one lawyer who has maintained consistently that we ought not in a congressional act leave any interpretation of the law to the report of the committee. The report has no binding force on any court. The courts have at different times interpreted legislative action by the intention of the legislature if there is something in the report that shows what the intention was. But the courts are not bound to give any weight to a report of a conference committee. Neither will the Treasury be bound to follow the suggestions of the committee as they may appear in hypothetical cases set out in the report, when the committee, as they do, cite certain examples in their report. If I were on the tax board I would not consider that these suggestions had any binding control over me, because they just simply say that these are examples of cases that might come up in the administration of this statute. I would determine whether they were examples of this statutory enactment myself and I would follow the statutory amendment and not follow something in the report. That is why I say they are so indefinite about the law, but the result is that when a man reads it he will say to himself: I do not come under this law but I come under this illustration. This is a hodgepodge. Statutes ought not to have to be clarified by examples given in a report; they should be stated in the clear and unambiguous language so clear as not to need interpretation by illustration.

Mr. HARRIS. Mr. Chairman, will the gentleman yield further?

Mr. JENKINS. I yield.

Mr. HARRIS. The gentleman heard all of the testimony; evidently he heard the witnesses from the Treasury Department testify on this provision. Did the gentleman get the impression from what they said that they would administer it in accordance with these examples set out here in the report?

Mr. JENKINS. I do not know that anyone from the Treasury came before the committee and made any promises as to how they would administer the law. If one did come and made promises I do not know how he could possibly bind anyone else, and especially he could not bind a future Treasury official. I remember that the Treasury officers did come up to the committee whenever they thought the Social Security Board was running away with that law; the Treasury did fine to come up and complain about it. I have no complaint against the action of the Treasury. I think the Treasury officials know that I have held up for them on many occasions, but I do not want to ascribe to them the powers of a United States court.

But I now see on his feet a man whom we hope is soon to become a Federal judge. I think when he gets on the bench and looks back on the law that we are about to enact, his reaction will be amazement at how fearfully and wonderfully laws are made. I refer to my colleague, the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. I have learned a great deal from listening to the gentleman from Ohio both in the committee and on the floor dealing with these affairs, but is it not a fact that representatives of the Social Security Administration and the Treasury Department have stated that they would have no difficulty whatever with this definition and that they both agreed it was the best that could be gotten, the finest that had ever been written into a statute of the United States insofar as the employer and employee relationship was concerned?

And also, I think the gentleman will agree that we follow very largely the definition as established by the Supreme Court of the United States in the Silk and Greyvan cases. The common law is different in practically every State in the Union. The Federal Government and the courts generally follow the State law; so, in the administration of the Social Security Act pertaining to a population over the entire country, if you follow the State statutes and the State common law you would be treating people in one State different from what you would be treating them in another State; therefore, you have to have a definition in a Federal statute, and that is what we are trying to do, to have the legislation clarify the definition of the employer-employee relationship.

Mr. JENKINS. No; there is the difficulty. You have 5 or 6 pages of definitions in this bill and then you have 10 or 15 illustrations. Nobody can understand it. When the gentleman from Pennsylvania takes his place on the Federal bench he would not permit me or any other lawyer to appear before him and say when we wanted to exercise some prerogative of the Court: "Judge, I can do this thing as well as you can; give me the authority and I will do it for you." But that is what we are doing here. We, the Congress of the United States, are passing this power over to the Federal bureaucrats. Why? Because they say they are able to do it. I do not believe the gentleman believes that. I do not want to think that he believes it. I will tell the gentleman I do not know what it means; I will grant that, but now we will turn to Judge EBERHARTER and see what he thinks about it.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield for one more comment?

Mr. JENKINS. I yield.

Mr. EBERHARTER. What we are doing is to take away from the bureaucrats the right of interpretation; we are not giving them the right of interpretation, we are writing in the new statute a definition of what an employee is. Heretofore we have allowed the bureaucrats to make the decision.

Mr. JENKINS. No. No, Judge.

Mr. EBERHARTER. Here we are writing it clearly, in understandable terms which the Court has already passed upon, the Supreme Court of the United States. So here we are taking something away from the bureaucrats and we are reasserting the power of Congress to define and state what an employee relationship is.

Mr. JENKINS. Judge, I will have to say something to you which I could not say to you if you were on the bench and I had a case before you. I think, Judge, in regard to this matter you are almost so wrong that it makes me think you are purposefully wrong, because you are.

Mr. Chairman, how much time have I consumed?

The CHAIRMAN. The gentleman from Ohio has consumed 39 minutes.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Arkansas.

Mr. MILLS. I think it would be a great help to the membership if the gentleman, as the ranking Republican member of our committee, now addressing the committee, would discuss some of the features of the bill which he does not like and which might constitute a motion to recommit to be offered by the gentleman from Ohio.

Mr. JENKINS. The gentleman is presuming something I am not ready to assume. I do not know anything except my own mind and I am not sure of that, especially in connection with this maze of intricate inconsistencies.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from California.

Mr. JOHNSON. Does the gentleman think he can offer any definition that would not be subject to all kinds of variation? I am thinking about the fact that in California, for instance, about 30 years ago we passed a workmen's compensation act, written in very clear-cut, concise language, which defined "employer" and "employee." Yet hundreds of cases have gone to the Supreme Court interpreting the different variations which would apply to all kinds of factual situations. I do not get the point of the gentleman's argument. Does he believe he could offer better language than they have here or simpler language?

Mr. JENKINS. I know I could not make it more complicated.

Mr. JOHNSON. Does not the gentleman recognize there are many different situations where employee and employer

designations apply that you cannot get an all-embracing definition that is clear and simple?

Mr. JENKINS. No. When the State assumes to pass a workmen's compensation law that State can say what it wants to in the law. It can say what will constitute an employee.

Mr. JOHNSON. We said that in what I thought was clear language; yet we have dozens of different categories that require interpretation.

Mr. JENKINS. The gentleman does not think this language is clear; does he?

Mr. JOHNSON. No; it is not clear; but you have to have some definition of employee. I do not want to argue with the gentleman because he is very learned in this particular field, but it does seem to me we have to be frank enough to recognize that you cannot get a clear-cut definition of every situation that will not be subject to some twilight zones and subject to interpretation and in the end of things you have to resolve it to the courts.

Mr. JENKINS. As far as I am concerned, I am willing to depend on the courts which have been established by the Constitution, instead of some bureaucrat that has no powers that will permit him to make and enforce legal decisions.

Mr. JOHNSON. I agree with the gentleman on that.

Mr. DOLLIVER. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Iowa.

Mr. DOLLIVER. I want to direct the gentleman's attention to a different part of the bill than he has been discussing, namely coverage of State and local municipal employees. Would the gentleman explain just how that group of employees may or may not come in under the provisions of this bill?

Mr. JENKINS. I would be glad to try it. That is rather complicated, too. That is another provision that if we had our way about it we would have left out. We would have left all of these teachers, State employees, and municipal employees outside because they all have their own retirement systems. Here is what this does, as I understand it: This law is another one of those all-inclusive things. The Social Security Board has written it so it says they can come in if they want to.

Mr. DOLLIVER. By what method?

Mr. JENKINS. The Governor of the State can call a referendum of those organizations and if they by a two-thirds majority indicate their desire to come in then he can ask the Social Security Board to take them in.

Mr. DOLLIVER. Let me give the gentleman a specific example and ask him how it would work out. In my own State there are certain municipalities which have established pension systems for police and firemen.

Mr. JENKINS. That is right.

Mr. DOLLIVER. Other municipalities have not done so. It is an optional matter under the laws of our State. Who would vote on whether they come in under this, those who are covered, or those who are not covered, or both?

Mr. JENKINS. It applies only to those who are already organized—that is, those who have a retirement organization—but if an uncovered group comes along and wants to organize, in that case I think they could make an application to come in, although I am not sure about that. If they organize as a private group without any connection whatever with the State, county, or municipality, they might qualify. But it is not likely that they would want to separate themselves from the political subdivision which employed them.

Mr. DOLLIVER. Would a school district where the teachers were not included in any voluntary plan under the State statute for retirement benefit automatically come under this?

Mr. JENKINS. No; they would not automatically come in.

Mr. DOLLIVER. How would they come in?

Mr. JENKINS. In the first place, it would depend on how they are organized. If they organized with all their own funds, I do not know what would happen; but if they are organized with State contributions or contributions from the county or school district or State authority, or if they come in under a State law that gives them authority to organize and the State contributes, then they could not come in unless there was a referendum and the two-thirds vote.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Nebraska.

Mr. CURTIS. Here is the general pattern for State and municipal employees. For the moment we will not consider those that already have their own plan. The Federal Government cannot tax a State or its subdivisions; consequently this is an approach from the angle of a compact between the Federal Government and the State, and it would require action by the State legislature. Then they could enter into a compact wherein the State or the subdivisions would agree to collect the employee's tax and remit it to the Treasury and pay a sum in lieu of the employer's tax, and the Social Security Administrator in turn would agree to treat their employees as all other employees. Now, of course, that does not cover all of the details. The State is vested with authority to determine what classes of employees would come in, with as much local control as you have. Now, that is the general pattern. As to the situation in the State of Iowa, we are dealing with some municipal employees that have their own retirement program. The majority bill calls for a referendum, and the people who are beneficiaries and are under it would have a right to vote in that referendum. Now, the Kean bill, which will be offered in the motion to recommit, takes those that have their own system entirely out of the provisions of the bill.

Mr. DOLLIVER. It does not permit them to come into it.

Mr. CURTIS. That is right.

Mr. DOLLIVER. But under the majority bill which we are now discussing they can come in, and any given municipality can say that as to policemen or firemen retirement funds, if two-thirds of the men on the force vote for it, they can come in.

Mr. CURTIS. Then it has to be determined by referendum.

Mr. DOLLIVER. And it does not require any State or municipal action.

Mr. CURTIS. Oh, yes. No one in a sovereign State can come in without appropriate State action, so that in any event the issue has to be threshed out in the State legislature.

Mr. DOLLIVER. And there would have to be enabling legislation passed by the State legislature.

Mr. CURTIS. That is right.

Mr. JENKINS. Here is the way I understand it, and here is how the teachers and the firemen and the policemen feel about it. They feel very much protected so far and so long as the State legislature and the State Governor remain loyal to them. But, if they should ever have a Governor or State legislature who would say, "You had better get ready and come under Federal social security or we will cut you off; we are going to repeal the law and cut you down," they could, under those circumstances, break up a lot of these fine organizations that are already functioning and entirely satisfied with what they are doing. That is the pressure that may come along. They will say that "Social security has its arms open and is ready to welcome you, and you fellows better get in, because we will cut you off."

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Ohio.

Mr. McGREGOR. I am certain that the dean of the Ohio delegation is familiar with our laws in Ohio relative to firemen and policemen. Would his description be applicable to our firemen and policemen in Ohio?

Mr. JENKINS. Absolutely, and they are scared to death. I assured all of them that I could come in contact with, that if two-thirds maintained their loyalty to their organization, the Governor or nobody else could shake them loose. I am glad to say that we Republicans on the Ways and Means Committee were not in favor of forcing these groups to come in. And I, myself, have been strongly opposed to any plan that would force the teachers or the policemen and firemen to give up their retirement systems.

Mr. Chairman, I favor a fair social-security system. I helped write the first social-security law. Without boasting, I think it is generally conceded that I am the author of the blind pension provisions of the first social-security law. I shall vote for this bill because I am for social security and in spite of a number of provisions in the bill that I think should be excluded.

Mr. JENKINS. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, my dissent from the bill reported out does not stem from opposition to a liberalized social-security program. Instead, it arises from the fact that the bill reported out fails in some major respects to do the very things a liberal and effective social-security program should do.

The old-age and survivors insurance program is a grossly unsound and ineffective tool for the social-security purposes it attempts to accomplish. Because it is so unsound and ineffective I cannot agree that the mere extension of its coverage or a mere numerical revision of its benefit formula, such as the majority of the committee proposes, can bring about significant improvement. Instead, the very fundamentals of the program should be objectively reexamined, and to the extent that such reexamination indicates the need for drastic overhauling of the program, that overhauling should be done, even though it proves necessary to abandon completely those concepts on which the present program rests.

I should like to outline what I consider the major shortcomings of the old-age and survivors insurance program, both in its present form and as it would be amended by the reported bill. At the same time I shall indicate what I believe is the necessary remedy.

I. THE OLD-AGE AND SURVIVORS INSURANCE PROGRAM FAILS TO PROVIDE AUTOMATIC BENEFITS FOR THE MAJORITY OF THOSE PERSONS WHO ARE IN NEEDY CATEGORIES NOW

The program makes grandiose promises for the future. Even with its coverage excluding certain occupations, as under the reported bill, the great majority of the aged population of a half century from now will be eligible for the program's benefits, since most of the young men starting out to work now or in recent years will have full opportunity to get the required calendar quarters in covered employment at some time during their working lifetime. Most of today's young women either will similarly succeed in getting these calendar quarters or will be married to men who so succeed, so that they, too, will qualify for benefits either in their own right or on behalf of their husbands.

But what of today's older population? Of the 5,200,000 men now aged 65 and over, only one-third are insured under the program; and of the 5,500,000 women of these ages, only one-fourth are either insured themselves or are the wives or widows of insured men. This is because only those who are still fortunate enough to have remained at work for much of the time since the program actually started in 1937 could obtain the calendar quarters of employment needed to be insured today. Many of the men over 65 today were already too old to be at work back in 1937, or were already disabled or unemployed. Many of the women are wives or widows of men who had already left work by 1937; in fact, many of today's widows had already become widows by that date or before 1940 and so could not qualify for benefits.

True, the Social Security Act includes a program of old-age assistance said to be designed for the benefit of those who were too old to qualify under the insurance program. But old people do not want the stigma of receiving assistance benefits which are based on a needs test. They want automatic benefits, even though modest in amount, that they can call their own. The old-age assistance programs, even when conscientiously administered, have proved shamefully dishonest in their results. Some old people of the most deserving type have remained in need rather than go on assistance. Other old people have become a burden upon their conscientious but poor children. Those who get assistance benefits have, in some cases, concealed their assets in order to qualify for the benefits; on the other hand, hundreds of thousands of even more deserving people have declined to do this and at the same time have suffered harsh deprivations. Other deserving individuals without assets of any kind have finally had to apply for this assistance, but it has broken their spirit, destroyed their independence, and changed their entire outlook on life.

The men now aged 65 or over who are eligible for social-security insurance benefits come, by and large, from the more well-to-do portion of the aged population, since these men either have worked recently or are still working. If we were to remove from consideration the more opulent one-third of the older male population and concern ourselves only with the poorer two-thirds who might be said to be in the economic levels of qualifying for public assistance in the more liberal assistance States, we would find that probably only about one-fifth of this poorer group have qualified for benefits under the insurance program. This indicates the degree to which the insurance program has failed to take care of those older persons for whom its benefits should be primarily available.

It is said that the extension of coverage, as provided in the bill reported by the committee, will tend to remedy this situation. The majority of those of today's old people who are ineligible for insurance benefits are no longer regularly employed, so that the mere extension of coverage to those occupations not now covered cannot help them. Such extension of coverage may make it even more probable for future generations of old people to become insured, but it cannot take today's old people off public-assistance rolls or help those old people who are now in distressing circumstances because they cannot get insurance benefits and refuse to apply for public assistance.

What is needed is an extension of automatic benefits—that is, benefits available without a needs test—to the millions of old people who could not qualify under a wage-record insurance program and yet who, over their past working lifetime, have worked just as faithfully as the more fortunate few who now qualify. No other way can possibly provide these deserved benefits.

There are those who frown upon the idea of paying every citizen an old-age benefit. These critics should examine the present program. Under this program, we are now paying a privileged few, some of whom are independently wealthy, amounts that are many, many times more than what they have paid in. Under our old-age assistance program, which is part of social security, one State has now on the assistance rolls 8 out of every 10 of its inhabitants over 65 years of age. Every taxpayer in the country is helping to carry these loads.

What we say of the old people is equally true of the other categories in need. Mere extension of coverage will not put onto the insurance-benefit rolls those orphan children whose fathers have already died. Should the Congress decide to go into the field of permanent disability benefits, the method provided for in the bill of the majority is unsound, costly, and very inequitable and unjust. Mere provision of disability insurance on a wage-record basis cannot put on the benefit rolls the large number of people under age 65 who are now permanently disabled. It can never help the hopeless cripple who has been such all his life. The administration's proposal offers nothing but relief for the crippled individual who as a child never knew what it was to run and play. It can never help the individual who is stricken by some dreaded disease before he reaches his working age and never gets the chance to hold a job. Such provisions may help some of the disabled of later generations, but we should not overlook today's needy or leave them to the mercy of public assistance, if the field of total disability benefits is going to be entered by the Federal Government.

II. THE OLD-AGE AND SURVIVORS INSURANCE PROGRAM FAILS TO MAKE THE MOST SOCIALLY ADVANTAGEOUS DISTRIBUTION POSSIBLE OF FUNDS AT ITS DISPOSAL

Social-security funds are necessarily limited in amount, since they depend upon the amount of economic productivity in the Nation and the possibility of drawing off a portion of this productivity for social-security purposes that is not too large to injure the Nation's economic health. Because of this limitation, it is of the utmost importance that these funds be distributed wisely.

But the insurance program fails to make this wise distribution because it is tied down by the concept that benefit amounts should vary directly with the worker's former wage level. This concept of the higher the wage, the higher the benefit has generally been rationalized on the ground that a greater wage loss is suffered when a higher paid worker dies or retires than when a lower paid worker does. But I feel that this concept results in a maldistribution of social-insurance funds and ignores the important fact that the higher paid worker should be expected to accumulate far greater resources than the lower

paid with which to supplement his social-insurance benefit. In fact, this concept is so inconsistent with the social-insurance objective set forth above, that the reverse concept of the lower the wage, the higher the benefit would be more nearly correct.

It is my belief that benefits should be uniform in amount and independent of previous wage history. A system providing uniform benefits would recognize the fact that since the amounts available for social security are necessarily limited in total, it is far better to divide up these amounts without discrimination than to pinch one man's benefit in order to deal more generously with another man.

A social-security system, subsidized as it intrinsically is from public funds, should not be the medium for continuing the higher paid worker's differential in living standard over that of his lower paid fellow citizen. It is the function of the higher paid man's greater personal resources to provide a supplemental benefit for the purpose of continuing this differential. While the higher paid man may not wish to make such provision, he has the choice to do so. And he has a choice of methods by which to do it. If he prefers not to use private channels, such as thrift or insurance organizations, or union or other cooperative funds, he should have the opportunity of using public, but not subsidized, channels.

A claim which has been made for the variable benefit concept is that under it are reflected geographic differences in living costs. This claim can hardly be taken seriously since benefit variations within almost any fair-size town will be much greater than variations in benefit averages as between different towns or different parts of the country. It has been well established that variations in average expenditures between one locality and another reflect variations in living standards much more than they do variations in living costs. And to the extent that an individual's need for a higher benefit is due to a genuine local variation in living cost, it is the function of his own community or State, whose increased living cost is matched by increased fiscal capacity, to make up that benefit differential to him by means of State-financed, public assistance, and not the function of the Nation-wide social-security program.

The benefit differential cannot be justified on the ground of individual equity. Primary insurance benefits which would be awarded in 1950 under the bill proposed here by the majority, for a worker who has been steadily employed at an average of $250 a month, are $16 a month greater than the benefits for a worker steadily employed at $100 a month. Yet, less than $2.47 differential in primary benefit amounts can be justified actuarially by the higher contributions of the $250-a-month man. In other words, the higher paid man has paid for $2.47 more in benefits but receives $16 more in benefits. This small actuarially justified differential is due in part to the newness of the program, for, at present, contributions pay only a small part of the benefit costs. But it is doubtful whether, even in the long run and under the higher contribution rates of the committee bill, the differential in employee contributions will ever justify the differential in benefits between the lower paid and the higher paid worker. While it is true that the higher paid worker derives a benefit which is lower relative to his previous earnings than that of the lower paid worker, and also that the higher paid worker pays a larger relative share of the cost of his benefits than does the lower paid worker, the important fact is that the higher paid worker derives a greater dollar profit than the lower paid worker.

A case in point showing that the present system does not make a proper social distribution of funds is that of the corporation official, whose salary is somewhere above $250 a month, who has been under social security since it started, who retired in 1949, and whose wife is the same age. Under existing law, this husband and wife are drawing $67.80. This man has paid into the trust fund a total in his lifetime of $390, or less than the amount that he and his wife are drawing out in 6 months. The measure before us would raise this man's benefits to $64.40 and the wife's benefits to $32.20 or a total of $96.60. This increase is given to them without any needs test.

The pending measure so departs from a social program as to make the insurance benefits for an orphan, in some instances, conditioned on whether or not that orphan was born in wedlock; yet, this same program makes possible old-age-retirement benefits as a matter of right to the professional gambler or any other person who makes his livelihood in an unlawful enterprise.

A widow, whose husband was not under social security, or whose husband died prior to 1940, receives no payments from the Federal Government without going on relief.

Take another case of a young lady who, upon reaching her majority, gives up her career and her opportunity for marriage, to care for her invalid mother. Suppose the mother lives until she is 80, and by that time the small resources of the family are exhausted. This daughter will never be entitled to any social-security payments as a matter of right based on a wage record. She can only look to relief.

A system of uniform benefits would remove these inequities and correct this socially adverse distribution.

III. THE OLD-AGE AND SURVIVORS INSURANCE PROGRAM FAILS TO PROVIDE THE FLEXIBILITY NECESSARY TO KEEP ITS BENEFITS IN LINE WITH SOCIAL AND ECONOMIC CHANGES

A major purpose of the committee bill is that of adjusting the benefits of the insurance program to meet the changes in living costs which have transpired since the present law's benefit formula was adopted. I cannot view the remedy as a satisfactory one, and I view the very problem as evidence of the program's basic unsoundness.

Can the benefit-formula revision of the committee bill, coupled with the special-adjustment schedule for benefits already on the rolls, rectify the benefit-wage relationship for a substantial number of years to come? Obviously not. In view of the constantly changing levels of prices and wages, the revision would only be a temporary expedient. If wage and price levels fall substantially in future years, the ratio of benefits to wages could be disastrously high, both socially and economically. The more probable long-term trend, however, is upward, and not many years may elapse before this trend will give rise to a demand for further adjustment. It should be remembered, too, that the real urgency in such times is that of the situation of those who will already be on the beneficiary rolls. Those who will still be working will see their benefit amount (as it appears on paper) rise somewhat with rising wage levels and can, of course, hope that Congress will make further revision in the benefit formula before their retirement or death.

Does not this need for continual revision of the benefit formula, and in particular the even more urgent need for repeated special-adjustment schedules for benefits for those already on the rolls, point clearly to the absurdity of basing benefits on wage histories? Will it not, in fact, soon make a shallow mockery of the claim that benefits are based on wage histories? Can a social-insurance system presume to meet social needs of the future on the basis of records of the past and present? Not only in terms of benefit levels but also in terms of various other economic and social factors, we are powerless to outline properly tomorrow's needs and to promise benefits accordingly. A retirement age of 65, for example, may well become obsolete in a future population whose age composition and health characteristics could be such that 65 would be too low an age, both biologically and economically, for superannuation.

A private insurance company or a privately funded pension system cannot readily do other than to promise those now insured or covered in such company or system specific future benefits dependent upon present premiums or contributions, which in turn may be dependent upon present income levels. But a social-insurance system need not have the limitation of this inflexibility. And, in fact, this very limitation on the part of private insurance and private pensions makes it the more urgent that social insurance possess the flexibility to be automatically adaptable to economic and social change.

As will be shown further on, this flexibility does not connote instability; nor need it be achieved through the medium of public assistance. In fact, today's dual system of Federal insurance benefits for the selected few and Federal-supported public assistance for many of the remainder is responsible for much of today's instability. At the present time the average old-age assistance monthly payment exceeds the average primary

insurance benefit by about $18. The passage of this measure would probably put the insurance benefit amount in the lead, but the race would only have begun. The insurance beneficiary, misled into thinking he has paid for his own benefit, is resentful of the assistance recipient's receiving a comparable amount without having paid contributions toward it; and the latter, who suspects the actual truth that the insurance beneficiary has paid only an infinitestimal portion of the cost of his benefit, rightly resents the fact that he himself has had to submit to a needs test in order to get assistance. The two systems will therefore compete with each other for increasing political favor, and this competition, combined with the extreme long-range cost increases inherent in the measure before us, could prove to be a major inflationary factor in the Nation's economy.

Under the present system, this Government is saying to a young man 21 years of age that they will pay him a definite amount upon retirement at his retirement age. He is not only promised the exact amount that he will receive upon retirement, if his age is then 65, but how much he will receive each month if he lives to be 90. What the price level will be at the time he is 90, what he will need, or what the taxpayers can afford to pay at that time, are all factors that are totally disregarded. What will happen is that future Congresses will have to revise his benefit formula. What, then, is the value of all these wage records? Why maintain a huge, staggering bureaucracy to maintain wage records that will have to be disregarded later?

On frequent occasions Congress has voted a very costly program, such as in the field of veterans' legislation or housing. There is an end to such programs. They do expire. There is no end to our social-security program. It runs into perpetuity. We bind oncoming generations to pay untold billions of dollars not only 50 years from now, or 100 years from now, but so long as the Government of the United States stands. It is totally unmoral.

Let us permit our children and our grandchildren to decide how much per year they of their generation will pay for social security. We should not bind them by contract to pay untold billions each year, as the present system does. The right of self-government means not only freedom from kings, tyrants, and dictators, but it means freedom from the past.

IV. THE OLD-AGE AND SURVIVORS INSURANCE PROGRAM IS ABSOLUTELY LACKING IN SOUND FINANCIAL STRUCTURE

For the old-age and survivors insurance program to be truly effective, it must not only be effective now but also give the assurance of being effective in the future. Such assurance cannot possibly be given, it seems to me, when, as in the case of either the present law or the measure before us, the following conditions are present:

First. Annual benefit disbursements of future years will be vastly greater than those of the immediate future, in fact, possibly 10 or more times as great, due primarily to the fact that the number of beneficiaries will greatly increase.

The committee's actuary advises me that the best estimated cost of our old-age and survivors and disability insurance program for future years is as follows:

In 10 years the annual cost will be $3,800,000,000.

In 20 years the annual cost will be $6,200,000,000.

In 30 years the annual cost will be $8,400,000,000.

In 40 years the annual cost will be $10,600,000,000.

In 50 years the annual cost will be $11,700,000,000.

The above is based upon the limited coverage that we will have after the pending bill becomes law. Should the coverage be made universal, our actuary advises me that the best estimated cost would be as follows:

In 10 years the annual cost will be $4,200,000,000.

In 20 years the annual cost will be $6,800,000,000.

In 30 years the annual cost will be $9,500,000,000.

In 40 years the annual cost will be $11,900,000,000.

In 50 years the annual cost will be $13,000,000,000.

The foregoing tables make no allowance for possible liberalization of benefits which may be made in the future.

Second. No definite scheme for meeting these greatly increasing costs has been established. The alleged reserve now in the trust fund is already $7,000,000,000 short, and the program is new.

Third. Proposed combined rates of employer and employee contributions are so small that acturial costs are not met even with respect to the youngest workers now covered, for whom contributions will be paid throughout their working lifetime.

In addition to the above conditions, which spell uncertainty for the program's future, the following conditions also seem incorrect for a social-insurance program:

Fourth. The present tax structure is highly regressive.

Fifth. Incomplete coverage, by which I mean not only incomplete coverage of the working population but more particularly the exclusion from benefits of most of those now old, disabled, or orphaned, means that the cost of employer contributions and eventual Government subsidy are borne by those who cannot benefit from the program.

The fact that the cost of the program will so greatly increase over future years, or rather that the number of beneficiaries is so small now as compared to future years, is unfortunate in a number of respects. It signifies the fact, as indicated at the beginning of this report, that the program is not doing its job now and will not be for some decades to come. But it also means, I am convinced, that no suitable method of financing can be found. To adopt a method requiring contributions of the level actuarial type would be a political impossibility, and even if it could be achieved it would have the adverse effect that in the early years of the program much more would be taken out of the Nation's economy than would be put back into it in the form of benefits. On the other hand, not to require level actuarial contributions would mean, as is now the case, that—even with respect to the youngest workers—benefit costs would be underfunded and the public would have no real appreciation of the true costs of the program.

Another objection to a program in which the number of beneficiaries is much smaller in the early years than in the later years is that, regardless of what financing method is adopted, there will be an uncontrollable tendency toward undue liberalization of individual benefit amounts. With only relatively few beneficiaries on the rolls now and in the immediate future, it is only too simple a matter to propose that individual benefit rates be approximately doubled; that primary benefit amounts in excess of $100 a month be promised, as well as combined husband-and-wife amounts of $150 a month. With only a relatively small number of present beneficiaries and with present benefit disbursements far below contribution receipts, the ability to fulfill these promises over the next few years seems to be all that matters, and the tremendous future cost, which will result when there is a much larger number of persons for whom we have made commitment of these benefit amounts, is too easily ignored.

I insist that a realistic program be established in which the number of beneficiaries now will be at least comparable to the number in the future. Under such a program, careful thought would necessarily be given to any liberalization of benefit amounts, for the cost of any such liberalization would be felt immediately.

Under such a plan, disbursements from the program would require matching by incoming revenue, either over each year or over a short period of years, thus affording a definite program of financing.

It has been frequently pointed out that those now in receipt of primary insurance benefits under the program have paid but a very small portion of their cost. Of the primary beneficiaries now on the rolls, virtually none have paid more than $400 in employee contributions, some have paid less than $10, and the average amount of total employee contributions for these benefits has been less than $150. Yet the actuarial value of the benefits, as of the time of the beneficiary's being placed on the benefit rolls, has averaged about $3,000, and if allowance were made for the value of possible wife's and other benefits, the value would be much greater. While over the long run employee-contribution totals will become much higher than at present, they will not pay for a significant portion of benefit costs.

Let us consider the case of a man who is now 40 years of age. Let us assume that he has been under old-age and survivors' insurance since it started in 1937, that he and his wife are the same age,

and that both will reach 65 at the same time. We will also assume that his average monthly wage has been $200. This man will have paid in in taxes according to the schedule in present law the sum of $1,440, and his employer a like amount, or a total of $2,880.

This amount would have purchased him a monthly benefit of $14.10 on an actuarial basis. However, under existing law he would draw $47.95 a month and his wife would draw $23.98, or a total of $71.93. In less than 3½ years he and his wife would draw out everything that he and his employer have paid in, even though he would have been covered for 37 long years. The actuaries say that the total value of all these benefits under existing law is $9,770. Under the pending measure his benefits will be raised to $71.10 a month, his wife's to $35.60 a month, or a total of $106.70 a month.

Now let us take the case of a much older man, one who reached 65 years of age on January 1 of this year, and has been under social security since it started, at an average monthly wage of $100. We will also assume that his wife is the same age. This man has only paid in a total of $144 in taxes and his employer has paid a like amount. Actuarially, this would have purchased for him a monthly benefit of only $1.45. Under the present law he receives $28 a month as long as he lives and his wife receives $14. Should his wife live longer than he does, she will draw $21 a month as long as she lives.

The actuarial value of this man's benefits is $3,460 and the wife's and widow's benefit is $2,240 or a total actuarial value of $5,700. This is provided at a cost to the man and his employer of $288. The measure before us will raise this man's monthly benefit to $49 a month and his wife's benefit to $24.50 a month, and if he dies first the widow will then receive $36.80 a month—all of this for the total cost of $288.

The proponents of the present program, as liberalized by the pending measure, claim to prefer insurance payments to assistance, and a contributory program to a noncontributory one. What they propose, however, is just the reverse of this stated preference. They favor a program which would leave for large numbers of needy persons only needs-test assistance, while at the same time favoring others with virtually noncontributory insurance benefits. A plan which would provide automatic benefits for all those now old, or otherwise entitled to benefits, would require the portion of the population now working to pay a cost equivalent to the value of their own benefits, and such a plan would therefore be contributory in its effect. The generation now working would be paying for the benefits of those now old—or the survivors of those now dead—with the assurance that when they become old their benefits—or if they are then dead, the benefits to their survivors—would be paid for by the generation then working. Such a program, I feel, would be both sound socially and sound financially.

I submit that in any given year, those individuals who are so blessed as to have a job and good health so that they can produce, should carry the load for those unable to produce for themselves in that particular year, that the cost should be paid in full in that year, and that when the year closes, nothing is owed and nothing is promised.

Such a method will eliminate this huge bureaucracy now administering social security, it will eliminate the use of a costly and useless system of wage records, and it will not be committing future generations of taxpayers of 20 years, 50 years, or 70 years from now, to the untold billions to which the present system is committing them.

I propose a program of modest benefit amounts, one that could be borne by a present tax rate not much greater in total effect than the cost of Federal grants for public assistance plus the combined amounts of employer and employee contributions at present. But I would prefer that this tax be in the form of an addition to the current normal income tax rates. The pay-roll tax, as noted above, is regressive in effect. The employer portion of the pay-roll tax can probably be adequately justified for financing hazards directly related to current employment, such as loss of wages due to temporary absence from work, but we cannot see its rationale as a method for financing long-term benefits relating to the one-time hazards of death, or old age.

How much can the Nation spend in any 1 year for social security? If we pay our social-security bill each year as we go, and a specific tax is levied for that purpose, the taxpayers—through the powerful medium of public opinion—will prevent those payments from getting too high. On the other hand, the aged, the orphaned, and the widowed, likewise can exert a great influence on public opinion and thus prevent benefits from becoming too low. These two forces should balance each other. This is not accomplished under the present program because of its cumbersomeness, alleged reserve system, and the binding commitments it makes on future generations.

V. THE OLD-AGE AND SURVIVORS INSURANCE PROGRAM IS ADMINISTRATIVELY COMPLEX

Under the present law, it is claimed, the wage-record system has worked well and with little cost in comparison with the benefits of the program. Yet it appears that the system is a wasteful one if, as I believe, a program at least as satisfactory can be developed without the use of wage records. Moreover, even though the most modern labor-saving devices have been applied in the operation of the wage-record system, the cost is substantial.

Let us consider how a wage record is used in our present social-security law. If a young lady 18 years of age goes to work in an office, she must apply for and receive a social-security number. Every time her employer pays her he deducts her tax and adds the employer's tax and sends a record of this tax and wage paid, to the Government. The Social Security Administration opens an account for her and the taxpayers must employ Government workers to handle, preserve, and maintain that record, probably for 70 or 80 years. This young lady may work a few months and get married. Years later she may go back to work for a month or two, further social-security taxes are paid and a further report of wages paid; this results in some more expensive Government bookkeeping. She may work periodically several times during her life but never enough to qualify for old-age insurance. Yet the taxpayers must maintain this expensive wage record for her.

Or take the case of a man who starts to work and works continuously, the keeping of his wage record by the Government is expensive. It is very likely that several times before he dies the cost of living and prices generally will change to the extent that the benefits that he is to receive have to be changed, thereby rendering these past wage records entirely useless. We must also not forget that many very fine citizens, who lead productive lives and make their contribution to society, never have a wage record. It is exceedingly difficult, and in some cases almost impossible, to apply the present program to those citizens.

Approximately 8,000 of the 15,000 employees engaged in the administration of the present program are directly concerned either with the enforcement of the pay-roll tax or the processing of the quarterly employer reports and the maintenance of the many millions of wage accounts. Practically all of these operations, and some portions of the remaining operations, could be dispensed with, if benefits were independent of wage records.

Under extension of coverage, the administrative effort required in employment-tax enforcement will be greatly increased, and the percentage increase in administrative costs will be much greater than the percentage increase in the number of persons covered. The definition of the term "employee," which proved so difficult for the committee, and the definitions of "covered wages" and "self-employment income," likewise difficult, are problems which are not necessary if we follow a system that is not based upon wage records.

On the other hand, financing old-age and survivors insurance benefits by an income tax method, without wage records, would not only eliminate the above costs but would add practically no cost to the present expense of collecting income taxes.

CONCLUSION

I have, in the foregoing, presented only some general ideas of how I would overhaul the insurance program. To put these ideas in somewhat more concrete, but not at all final, form, I am submitting the following outline of tentative benefit proposals:

First. Payment of old-age benefits to all citizens who have reached retirement age or over, to the widows of deceased citizens, and to their orphaned children under age 18.

Second. Payments within each category (aged, orphaned, and so forth) to be uniform in amount, though amounts for different categories may differ.

Third. No needs test or work clause, except that other federally supported benefits programs would be offset.

Fourth. Federal grants-in-aid for old-age assistance and aid to dependent children would cease, and all such assistance payments would be State financed.

Fifth. Benefits provided would be financed by addition of a flat percentage rate, especially designated in the return, to the normal income tax rate.

Sixth. Benefit amounts would be included as taxable income in the ordinary income-tax return. This would discourage many who do not need it from applying for the benefits; at the same time, evils of the present system would be eliminated and the costly burden of supporting thousands and thousands of welfare workers, inspectors, record offices, and the like would be eliminated.

I would repeat, however, my earlier statement that such overhauling must be preceded by an objective and thorough reexamination, such as has not been done to this time. I do not disparage the work of previous congressional groups on this subject, and particularly not the work of the present Ways and Means Committee, which is to be congratulated on its rejection of some of the most extravagant and visionary proposals contained in the original administration request for legislation. The committee has perhaps done the job as well as possible by patching up a hopeless program, and trying to make an untenable program work.

On the other hand, with due regard to the high caliber and public spirit of the individuals comprising the various advisory councils on social security, I feel it regrettable that these councils have not been able to make more thorough reexamination of fundamentals. Each council has been made up of individuals who were experts in their own outside fields and who, being extremely busy men in these outside fields, could not take the necessary time to make such reexamination; consequently, acceptance of the proposals developed by the Social Security Administration staff members became an almost inevitable course. I feel that a study should be made by a group consisting largely of persons who can devote full time for several months to the work, who are largely technicians in this field, and who at the same time are fully independent of administration pressure. Only in this way can a wholly objective and thorough chart be laid for future development.

Mr. DOUGHTON. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Chairman, as chairman of the House Committee on Education and Labor my name has been mentioned in the public press on numerous occasions. Up to this time I have never seen fit to answer any press stories. However, in the October 3 issue of the magazine Newsweek there appeared a story to the effect that I would resign my position as Representative in Congress and as chairman of the House Education and Labor Committee to accept a Federal administrative position.

The article reads as follows:

Representative LESINSKI, of Michigan, will be offered a Federal administrative post after Congress adjourns. Democratic leaders think morale of the House Labor Committee will improve if LESINSKI, its hard working but stubborn chairman, resigns in favor of another Member.

I do not feel that I can let this story go unchallenged. This item concerning me is evidently based on a malicious and false statement made for political purposes. I am confident that it will suffer the fate of any statement which is not based upon fact. I want to say that I have no intention of resigning my seat in the House of Representatives. The only way that I will be removed from my position as chairman of the House Committee on Education and Labor will be by the verdict of the voters of the Sixteenth District of Michigan.

Mr. JENKINS. Mr. Chairman, I yield 35 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, there are many defects in H. R. 6000. Most of these are corrected in H. R. 6297, the bill which I introduced yesterday, but I do not want to talk this afternoon about the exact details of my bill. I will do that at a later stage of the debate.

What I will discuss today is H. R. 6000 and why I am in favor of the general philosophy behind this bill.

Can we provide reasonable social security for the less fortunate among us without in any way sacrificing that liberty which is the essence of the American system?

Of course we can.

Both the Democratic and Republican platforms of 1948 urged broader coverage under OASI and extension of benefits to a more realistic level. An adequate old-age insurance program, and reasonable aid to the unfortunate, is not statism, nor is it socialism.

The first and most important decision with which our committee was faced was whether care for the aged should be based on a pension system or on the insurance system.

We are at the crossroads. The old-age assistance program has grown by leaps and bounds. More than twice as many of our older citizens are receiving old-age assistance as are receiving payments under OASI.

The average benefit under old age assistance is $42.02, against an average of only $24.35 under OASI, and about $31 for new beneficiaries. Many are saying, What is the use of our paying payroll taxes when those who pay none receive greater benefits?

Of course it is true that the chief reason for the low benefits under the insurance program is that so many worked only part time in covered employment, thus making their average wage very low, but this narrow coverage is a fault of the system, and it is difficult to explain to the general public as they retire why their benefits are so low.

Old-age assistance is relief only for those in need. Its concept is somewhat that of charity. Under this program the aged who, themselves, have saved for their old age must pay additional taxes to support those who have not.

Under OASI benefits are given as a matter of right, based somewhat on the amount of taxes which each individual has paid and which his employer has paid for him. It is a system geared to maintain the self-respect of the individual.

The committee made the vital decision that the insurance system should be the basic one; that coverage should be broadened; and that benefits should be sharply increased. A worker who would now retire at $31 monthly, which is the average payment, will under the new bill get approximately $56 monthly.

Though from eight to ten million more workers will be taken into the system under H. R. 6000, unfortunately the majority of the committee would not agree to extend coverage to the extent which I have always advocated. The result is that the system will still continue to be inadequate. Many people will continue to move from covered to uncovered employment, and as a result will receive only small benefits.

The majority first voted to include all self-employed, and then whittled it down by taking out lawyers, doctors, dentists, and engineers.

They first voted to take in those in domestic service, and then took out nearly three-quarters of them, and I might add those who will need protection most, by changing the definition of employment to one who is employed for at least 26 days in one quarter by one employer. There are not many people in this country, with the present cost of living, who can afford to employ a full-time maid. And the majority of the committee, through their definition, have taken out from under covered employment all those maids who work for 1 day a week for one family. A maid would not be under covered employment if she worked 5 days a week 1 day a week for five different families.

Of course the most important exclusion from coverage provided in the majority bill is that of farmers and farm labor. You cannot have a truly comprehensive system if you leave out such an important segment of our population. I

believe that if those engaged in farming understood the benefits of the system, they would be pleading with their Representatives to admit them.

However, farmers are rugged individualists, and it is evident from the attitude of those Congressmen representing the farm districts that the benefits of the system have not been sold to farmers.

As a result the burden of old-age assistance is very heavy in the States which have a large farm population, and will grow heavier.

Farmers are not only paying for the benefits which industrial workers are receiving, because the pay-roll tax is inevitably added to the cost of the goods which they buy, but they are also paying higher and higher State taxes to meet their local old-age assistance burdens.

Someday I think the governors of these States will be down in Washington begging us to admit farmers to the system. I think they would be today if they understood what was going on.

I believe that all gainfully employed, except public employees who have their own pension systems, should be included under our old-age and survivors insurance program.

The next major decision which the committee had to make was on the question of financing. You may remember that the original law as envisioned by President Roosevelt called for a step-up in the tax for both employer and employee which would have made the system carry itself; but in 1941 the Democratic Congress accepted the suggestion of a Senator that the tax be frozen at 1 percent.

This freeze was, unfortunately, continued by two Democratic and one Republican Congress until the present time.

Mr. Altmeyer testified before our committee last February that the result was an actuarial deficit of $7,000,000,000 in the fund.

Several years ago when one of the freezing resolutions was before the Senate, Senator MURRAY, of Montana, arguing that continued freezing might cause some doubt among the beneficiaries as to the soundness of the whole system, had an amendment passed which was later accepted in conference by the House—providing that if at any time the trust fund was insufficient to pay benefits that the United States would pay them out of the general revenue.

The situation which faced our committee, after they had agreed on increased benefits, was that the cost of the new bill would be over 6 percent of pay roll.

The problem we then faced was: Should we make the system financially sound, make it a system which carried itself; or should we provide only a moderate increase in tax and follow Mr. Altmeyer's recommendation which was that ultimately the Federal Government should assume one-third of the burden of paying benefits from the general tax revenue.

Such a system would have been very unfair to everyone who was not in covered employment.

It certainly would have been unfair to farmers, to doctors and lawyers, to railroad workers, to State and Government employees who were not covered in the system but would be paying their Federal taxes for benefits paid to others, none of which they would ever receive.

So the committee, I believe very wisely, decided to make the system carry itself by setting up a schedule of taxes rising in 1970 to 3¼ percent on employee and 3¼ percent on employer. At the same time we repealed the Murray amendment.

The decision of the committee was that we were not justified in now promising benefits to workers in the future and leaving it up to our children and grandchildren to find the money to pay the benefits which we had promised. It was a sound decision.

Of course, it is impossible to tell what conditions will be 50 years from now. If we continue the same increase in pay rolls which we have had over the last 50 years; if the dollar, over a long period, continues to decline in value as it has in the past 50 years, the taxes which we have set up may well yield twice what we have anticipated. However, if this is so, the buying power of our schedule of benefits will be too low and they will have to be increased.

The third major decision which the committee had to make was whether this was to be a system through which people could retire in comfort or whether benefits were merely to be of a basic subsistence level.

The formula suggested in the bill introduced for the administration would have provided that a steadily employed worker with high wages during his working lifetime, with a wife over 65, might have received upon his retirement over $2,200 a year. The administration's suggestions were thus that we build up a retirement system rather than a social-security system.

The proposed benefits were geared to favor the steadily employed—the man who had received high wages—the very one who would most be able to put money aside in savings or insurance for his own protection in his old age.

At the same time the benefits for the lower-income group remained niggardly, so that there would still be need for supplementing their income through old-age assistance.

The committee rejected this basic theory of the Administration, changed the formula so that it would give greater benefits to the lower-income group and less to the more fortunate.

However, I do not think that the committee went as far as they should in this direction.

The bill now provides two rewards for steady employment. Those steadily employed are not subject to what is known as the continuation factor, which is a deduction in benefits for each year that a worker is not employed. Then, in addition, there is the so-called increment—a percentage increase of one-half of 1 percent in primary benefits for every year in which a worker is in the system.

Thus, the luckiest individuals—those who have been steadily employed and who probably have also been able to put aside savings and buy life insurance—will doubly benefit under the bill, while those who need assistance most, who have been irregularly employed, or who have changed jobs in and out of covered employment, would be doubly penalized.

In the bill as originally drafted we did not have this important factor, but under pressure from certain outside sources the administration supporters put it in.

As actuaries told them this provision would cost on the average $800,000,000 a year they looked around for ways to save some of the cost, and changed the formula which was in our first draft granting benefits on a basis of the 10 best consecutive years of a working life to one figured on the average wage over all of a working life. Actuaries said this latter change would save the system $600,000,000.

Where does this saving come from? It comes from those who have been irregularly employed, and thus will need protection most in their old age.

By this action the committee majority have taken away annually $600,000,000 in benefits from those who need it most, and given it to those who need it least—those who at all times have had steady employment. This provision benefits the "economic royalists" among the workers.

The new bill also makes it easier to qualify for insurance. The committee approved a provision which was in the bill which I introduced last year, making it possible for a worker to qualify if he had been employed for 20 quarters out of the last 40 before his retirement.

We also raised the minimum benefit to $25 a month, changed the work clause so that an individual, instead of being limited to $14.99 a month, can earn $50 a month between age 65 and 75, and anything he can earn after that, and still receive benefits.

We also increased the benefits of those who have already retired by an average of about 70 percent.

The committee felt that it was proper for the Federal Government to consider the question of permanent and total disability. This is handled in two ways in the bill. It provides a fourth category under the assistance program by adopting title 14 of the proposed bill. Of course, as under all the assistance programs, these benefits would only go to those in need.

At the same time the committee included total and permanent disability in the insurance program. Benefits would be the same as those provided for the retired worker, except that there would be no benefits for dependents.

Some of us wonder whether it is wise to include permanent and total disability in the insurance program at the present time.

It is an untried field and perhaps it might be better for the present to ex-

periment with the new provisions along this line, in the old-age assistance program. The cost of this insurance program is unknown. Estimates have been that it may well be more than a billion dollars a year. This, of course, would be taken out of the trust fund which was set up for old-age and survivors insurance.

The experience of private insurance companies in this type of coverage has been most unfavorable. Claims increased by leaps and bounds during periods when unemployment was high and were sharply reduced in times of full employment.

The determination of when a worker is totally disabled is a marginal one. It is usually a question of judgment. The theory of the insurance system is that benefits are a matter of right. Would not everyone feel that having paid the insurance premium he was entitled to these benefits, even if only slightly disabled? A permanent lifetime pension is so attractive that it would be difficult for many workers to resist the temptation to try to make out that they were disabled in order to get the benefits which they felt that they had paid for through their pay-roll taxes.

There are other items in the bill approved by the committee which I question.

A lump sum payment for all who die, of three times the primary benefit, is provided. Under present law lump-sum payments are only granted to those who have no survivors. This was originally put into the law because it was felt that those who had paid the tax and would receive no benefits should at least get something back. This new provision has been characterized as being the "grave" part of protection from "cradle-to-the-grave."

Of course, in most cases the money will in no way benefit survivors, but it will only benefit undertakers. If we are going to make these payments, why do we limit them to funeral expenses? Why not expenses of the last illness?

It seems to me that this lump-sum payment changes the whole philosophy of OASI and that this provision in the bill should be eliminated.

I hope that the old-age assistance program will gradually taper off as more and more people become qualified under OASI. I hope that some day as all the gainfully employed become covered by the insurance system that old-age assistance, as far as the Federal Government is concerned, can be completely abolished and that the few cases where assistance is needed will be taken care of by the States.

I was hopeful that such an eventuality might occur in about 15 years. However, the failure of the committee to include farmers and farm labor puts this far in the future.

The cost of the proposed program is tremendous. Additional benefits which we have granted under the assistance programs will amount to $256,000,000 annually. It is difficult to place this annual drain on the taxpayers especially at a time when the budget is so out of balance, but it seems to me that these new benefits are so desirable that I am glad to support these provisions of the proposed law.

When we come to considering the cost of the old-age and survivors program you reach figures that are so astronomical that they are frightening.

We must remember that the taxes necessary to carry our social-security program must be borne by those who are working, by the producers. They must carry those who are not producing.

Today the working population is estimated to be approximately 64,000,000, or about 43 percent of our population. With the probable increase in the number of our aged which all experts envision, this proportion will probably soon drop to about 40 percent. We cannot place too heavy a burden upon them.

If all the programs recommended by the Administration were adopted, the over-all cost of all social security, pensions, health and welfare programs would amount, within the next few decades, to somewhere between thirty or forty billion dollars a year.

Add this to our present budget, and you can see that it is proposed to take from our producers a total of from seventy to eighty billion dollars, and this sum does not include State and municipal taxes.

No nation in the past has been able to survive and maintain a sound currency with any such rate of taxation. The only way that it could be carried would be through inflation, and devaluation in the buying power of the dollar. But if this occurred, beneficiaries would demand—and rightly be entitled to—more benefits. Thus, the merry-go-round would start up again.

We must stop, look, and listen. In expanding social security we must advance cautiously.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Arkansas.

Mr. MILLS. I am particularly interested in the gentleman's bill, H. R. 6297, in view of the statement made by the gentleman from Nebraska [Mr. CURTIS], that this bill might well be the motion to recommit offered from the minority side. Am I correct in my understanding of the gentleman's bill that it embodies practically all of the features of H. R. 6000, the majority bill, with the exception of the recommendations contained on page 158 of the report; that is, the summary of the minority position.

Mr. KEAN. Plus the tax feature.

Mr. MILLS. Yes; I was coming to that. Under the bill H. R. 6297, what is the estimate of the net level premium cost?

Mr. KEAN. 5.45.

Mr. MILLS. Which is about seven-tenths of 1 percent under the cost of the bill, H. R. 6000, 6.15 percent.

Mr. KEAN. That is correct.

Mr. MILLS. The gentleman fixes the tax, therefore, at a maximum of 6 percent in 1980. In the course of reducing the cost below the cost of the committee bill you do four or five different things. First of all, you increase the cost by continuing the wage base at $3,000, whereas the committee bill proposes to increase that base to $3,600.

Mr. KEAN. That is correct.

Mr. MILLS. That action by itself raises the level premium cost of the program.

Mr. KEAN. That is correct.

Mr. MILLS. You eliminate the increment, however, which is eight-tenths of 1 percent.

Mr. KEAN. This saves $800,000,000.

Mr. MILLS. Then you change the method of computing the wage base.

Mr. KEAN. Which increases the cost by $600,000,000.

Mr. MILLS. By $600,000,000.

Mr. KEAN. And benefits go to the right people.

Mr. MILLS. Then the gentleman increases the number of domestic servants who would be brought under the program from the number involved in the committee bill of about 950,000 to approximately how many?

Mr. KEAN. About 2,000,000 in all.

Mr. MILLS. Two million.

Mr. KEAN. And that also goes to those who need it most.

Mr. MILLS. Do not misunderstand me; I am not arguing with the gentleman. I am merely trying to find out what the bill does. The gentleman would then place under social security 1,100,000 more than the committee bill would place under social security.

Then the gentleman provides a prohibition in his bill against those who are locally employed by municipal or State governments and who are already included under a pension plan being included in the program by any action, even though more than two-thirds of such employees may desire to have social security coverage.

Mr. KEAN. Correct.

Mr. MILLS. They cannot come in at all.

Then the gentleman eliminates the extension of title II social security coverage to residents of Puerto Rico and the Virgin Islands.

Mr. KEAN. Correct.

Mr. MILLS. Those are the primary changes between this bill, H. R. 6297, and the committee bill?

Mr. KEAN. No. The gentleman left out the permanent and total disability under the insurance program and the definition of employee which we were talking about with the gentleman from Ohio [Mr. JENKINS], paragraph 4.

Mr. MILLS. The gentleman leaves out paragraph 4 of the language defining the term "employee"?

Mr. KEAN. Right.

Mr. MILLS. How many people would that exclude as employees as compared to the language in the committee bill?

Mr. KEAN. It would not exclude any. All it does is give a determination by law as to who should pay the tax, instead of putting that up to the

Social Security Administrator and the Treasury to decide.

Mr. MILLS. But the gentleman is satisfied with the first three paragraphs of the committee definition of the term "employee"?

Mr. KEAN. I am not a lawyer. My best advice is that it is correct, but I am not a lawyer, so the gentleman will have to ask somebody else about the details of that one.

Mr. MILLS. Then, of course, the gentleman's proposition does eliminate this matter of total and permanent disability?

Mr. KEAN. In the insurance program.

Mr. MILLS. In the insurance program, but retains it for the public-assistance program?

Mr. KEAN. That is right.

Mr. MILLS. So that it is the gentleman's philosophy, then, that these people who become totally and permanently disabled should be taken care of by the public treasury of the Federal and State governments rather than being taken care of out of this fund into which they pay from their wages?

Mr. KEAN. At the moment, yes. Does not the gentleman believe it is a question whether we should take the money from the trust fund which has been contributed by people for protection in their old age and give it to the disabled, which may cost two or three billion dollars? We do not know what it is going to cost.

Mr. MILLS. The gentleman knows that the tax increase recommended by the committee includes one-half of 1 percent of pay rolls for this specific purpose?

Mr. KEAN. It is not enough. With all due respect to our actuary, I am not sure that that is enough.

Mr. MILLS. The gentleman says that by eliminating disability from title II we can save around a billion dollars a year in the future. How much can we save when we put all of these disabled cases on public assistance?

Mr. KEAN. Does the gentleman believe the permanently and totally disabled who are in need now are not being taken care of by their local communities? All we are doing is helping the local communities, so the local communities can pay more. Today what is happening is that the local communities are only paying $20 or some small amount to these permanently and totally disabled. The same people will be taken care of under this kind of Federal Government contribution. They will get twice what they are getting, and they will be able to live in a decent way.

Mr. MILLS. The gentleman from New Jersey and the gentleman from Arkansas are both in favor of extending public assistance to these totally and permanently disabled cases.

Mr. KEAN. Yes.

Mr. MILLS. My point is this: Is it cheaper to do it that way than it is to do it the way the committee provides?

Mr. KEAN. Very much cheaper, because it goes only to those in need, and the State and local people will police those payments so that they are not given to people who are not entitled to them.

Mr. MILLS. The gentleman thinks a better job will be done if it is left to public assistance?

Mr. KEAN. Yes.

Mr. MILLS. And less expensive?

Mr. KEAN. Yes.

Mr. JOHNSON. In your bill do you have a simpler definition of the word "employee" than they have in the committee bill?

Mr. KEAN. Yes; we lef tout that remarkably complicated definition based on the Supreme Court decision.

Mr. JOHNSON. And the courts will finally resolve the twilight cases?

Mr. KEAN. Yes.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield.

Mr. MILLS. Mr. Chairman, I could not let this colloquy come to an end after having asked the gentleman to yield in this extended manner, without recalling to the membership the very fine cooperative spirit the gentleman from New Jersey manifested in committee. He is one of the best-informed men with whom I have discussed social-security questions. I take my hat off to him. I know of his deep and abiding interest in the welfare of the very people affected by this bill. The gentleman has placed his finger on the real differences which arose in the committee. He has called attention to the primary differences and those are matters which the House will have to pass judgment on in the final analysis.

The gentleman is striving, as the gentleman from Arkansas has strived, to hold down the cost of this program. I take issue with the gentleman as to the method of holding down the cost of this program. But I certainly must pay him a well-deserved tribute for his knowledge and the fine work that he has done on this bill.

Mr. KEAN. Mr. Chairman, I want to reciprocate and say that the gentleman from Arkansas was always one who was striving in committee to write a sound bill. He has a very great knowledge of his subject. It was always a pleasure to work with him.

Mr. DOLLIVER. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield.

Mr. DOLLIVER. The gentleman made some remarks earlier in his speech concerning the cost of this program as presently written, both in the gentleman's proposed substitute and the committee bill as it affects the farmer. It evidently is the gentleman's feeling that at this time the farmers cannot be included either in his bill or in the committee bill.

Mr. KEAN. That is correct.

Mr. DOLLIVER. Will the gentleman develop that thought a little to explain why it is that this burden is upon the farmer and they are not aware of it?

Mr. KEAN. The reason is that the cost of the social-security program is added to the cost of the goods that the farmers buy.

Mr. DOLLIVER. It is indirect, rather than a direct tax?

Mr. KEAN. It is indirect. Every time the farmer buys a tractor he is paying for the social security of all the workers in the factory that made the tractor. That is one thing.

Then the second thing is that the burden of old-age assistance is so great in those States where they have a lot of farmers that they are paying an inordinately high tax.

Mr. DOLLIVER. But that for the most part is going to their own people, is it not?

Mr. KEAN. It is going to their own people; that is correct.

Mr. DOLLIVER. In other words, they are paying for old-age assistance by way of taxation to people locally rather than sending it to the Social Security Board by way of a pay-roll tax.

Mr. KEAN. That is right.

Mr. DOLLIVER. Can the gentleman give us any idea how those two figures might compare; that is, the amount they might have to pay in pay-roll taxes if the agricultural elements of the country were covered, and the relative amount they would have to pay for old-age assistance?

Mr. KEAN. No; I do not think I can give those figures.

Mr. DOLLIVER. Are there any figures available with respect to that, or are there any estimates?

Mr. KEAN. I do not think so. Of course, 45 percent of the farmers have already paid social-security taxes out of which they will never get anything because they have gone to work in the towns, for example, for a short time. Some may have gone to clerk in a store for a little while. Some of them have had war work and worked in a factory for a short time. Some of their sons have gone to the city for a year or so, and then have gone back on the farms. As a result 45 percent of the farmers have already had some social-security coverage, but they are never going to get a nickel back in the way of benefit from what they have paid in.

Mr. DOLLIVER. Why is that?

Mr. KEAN. Because they have paid so little that they cannot qualify.

Mr. DOLLIVER. In other words, that coverage has lapsed; is that it?

Mr. KEAN. Yes; it has lapsed.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield.

Mr. HESELTON. I would like to ask the gentleman two questions. The second one possibly should be addressed to a member of the majority rather than to a member of the minority. I have a communication from a constituent who advises me that they have several individuals who represent them in selling their products on a straight commission basis. They say these individuals act as independent contractors insofar as we have always interpreted it, because they represent not only us but in several cases three or four other concerns. He has

asked me whether or not, under H. R. 6000, those individuals will be covered.

Mr. KEAN. The self-employed are covered. I should think they would be independent contractors and would be self-employed.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield.

Mr. MILLS. I think the gentleman from Massachusetts [Mr. HESELTON] would have to submit a few more facts to the gentleman from New Jersey [Mr. KEAN] before he could give you a concrete answer. House-to-house salesmen of the type you are talking about are specifically excluded. We had testimony before our committee that it would be practically impossible to collect the tax.

Mr. HESELTON. If the gentleman will let me add this further statement, that this is an industrial concern which has these salesmen, selling their products in large amounts.

Mr. MILLS. And they are paid on a commission basis?

Mr. HESELTON. That is right.

Mr. MILLS. As outside salesmen working either for a manufacturer or wholesaler, they would be included under the definition of the term "employee" in the bill, on the basis of the information which the gentleman submits, either under paragraph 3 or paragraph 4. Even though paid on a commission basis, such salesmen would be included, depending upon the presence of the other factors listed in these two paragraphs.

Mr. HESELTON. And under the gentleman's bill they would not be included, by reason of the definition in the gentleman's bill?

Mr. MILLS. The gentleman from New Jersey accepts the definition as to paragraphs 1, 2, and 3, and the gentleman's situation would be included under paragraph 3, as well as paragraph 4.

Mr. HESELTON. Then, how will this operate in terms of the payment of the tax? Assume that these salesmen earn $3,600 from each of these concerns? Each of the concerns are required to file a return and pay a tax.

Mr. MILLS. That is right.

Mr. HESELTON. How would they determine who would get a refund and what they would get?

Mr. KEAN. Why a refund?

Mr. HESELTON. Certainly he is not going to be able to collect on five times 3,600. He has paid it into the Treasury, but he cannot get it out.

Mr. KEAN. That is right. He should be entitled to a refund. You are correct. But how could we go about it, if he was working for all three at the same time? The gentleman from Arkansas [Mr. MILLS] seems to think he knows.

Mr. MILLS. It is my understanding of existing law, which is not affected in this respect, if this individual is working for three employers, all three of the employers will be called upon to pay a tax. No one of the three employers, even though the over-all amount may exceed $3,600 wage, would be entitled to a return. The employee, however, is permitted to receive a refund on that part of his salary in excess of $3,600.

Mr. HESELTON. Then I am correct in stating that this concern might have to pay anywhere from three to fifteen times, and there is no way, under the bill, by which they can reclaim from the Treasury money that will never be of any benefit to the employee.

Mr. MILLS. That is in existing law, I might say.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield to me?

Mr. KEAN. I yield.

Mr. EBERHARTER. This definition of "employee" takes into account seven or eight different factors. I do not think members of the committee should be asked to say definitely whether, under a few facts given, a person can be classified as an employee.

Mr. KEAN. That is right. You cannot do it.

Mr. EBERHARTER. You have to know all the facts before you can make a decision.

Mr. KEAN. That is right.

Mr. EBERHARTER. I want to say this further. I am delighted that so many Members were present when the gentleman spoke, because I agree heartily with what the gentleman from New Jersey [Mr. KEAN] has said about the gentleman from Arkansas [Mr. MILLS] and what the gentleman from Arkansas has said about the gentleman from New Jersey with respect to the intense interest they took in this measure. I am delighted that the gentleman from New Jersey [Mr. KEAN] indicated that he wanted more extended coverage. That matter, particularly the matter of the inclusion of farmers and farm laborers was certainly not a partisan question in the committee. As far as I am concerned, I am thoroughly in agreement with the position of the gentleman from New Jersey that the farmers, the doctors, the dentists, and lawyers should be included, and we should not have made those exclusions.

I further want to state there are other members of the majority who feel the same as I do. I further want to state to the gentleman that I agree with him that it was a mistake when we froze the tax in the first place. I do not, of course, blame the majority for that because during those days the minority party voted almost solidly for that freezing of the tax. But I was against it all the time. This colloquy here, however, between the gentleman from New Jersey and the gentleman from Arkansas will indicate, I believe, to the Members here how confused this subject is and how differences of opinion occur. It is not particularly a partisan question; it is really a very important question to be decided. This bill, as the chairman has said, is not the product of one mind; it is the product of all the members of the committee. I venture to say that the bill contains a suggestion from every member of the committee, both minority and majority. It was not a bill that was pushed out because of votes on one side or the other. So I feel sure that it is a good bill. There may be some differences of opinion. It did not suit me in every respect; I wanted to include farmers and domestics and all self-employed. But it was the best we could get under the circumstances, and I hope it will receive a good heavy supporting vote.

I thank the gentleman.

The CHAIRMAN. The gentleman from New Jersey has consumed 45 minutes.

Mr. WOODRUFF. Mr. Chairman, I yield to the gentleman from Oregon [Mr. ANGELL] such time as he may desire.

Mr. ANGELL. Mr. Chairman, as one of the authors of the Townsend legislation in the House, H. R. 2136, I deeply regret that the Rules Committee saw fit to present this legislation, H. R. 6000, under a so-called closed or gag rule. This procedure will compel the House to swallow the bill as is without amendment.

The bill does help the insured and disabled but it does not offer any substantial relief to the aged citizens of America who have not been able or who will not be able to qualify as a covered employee under the social-security program except those in a few favored States. Even with the amendments proposed in H. R. 6000 millions of our elderly citizens are without the mantle of protection under this law. Under the philosophy of the present social-security law it was believed that as time passed it would cover most of our elderly citizens needing aid. However, the law has been in effect over 10 years and experience under it shows that this philosophy was false and that the breach is widening between those covered and those not covered by the law, the majority being left without its protection. In October of last year the number granted cash on the basis of need was 2,469,372 as against only 1,016,303 retired workers receiving old-age insurance.

It is significant that the fact-finding board appointed by the President recently to consider the wage dispute between the United States Steel Corp. and its workers reported as follows:

> The concept of providing social insurance and pensions for workers in industry has become an accepted part of modern American thinking. Unless Government provides such insurance in adequate amount, industry should step in to fill the gap.
>
> Government * * * has failed to provide social insurance for industrial workers generally, and has supplied old-age-retirement benefits in amounts which are not adequate to provide an American minimum standard of living.

This is in line with the findings of many commissions and social-security experts who have considered the problem of social security not only for workers but for the aged, handicapped, and disabled. Ex-President Hoover, Chairman of the Commission for the Organization of the Executive Department, in considering this important problem in a letter to the gentleman from North Carolina, Chairman DOUGHTON, of the Ways and

Means Committee, under date of April 6, 1949, said:

I wish to say at once that I strongly favor Government provision for protection of the aged and their dependents.

The problem before the Nation is to obtain a workable system, with a minimum of administrative cost, a minimum of bureaucracy, adjusted to the economic strength of the country which gives an assurance of security to this group. In my view, we have not yet found that system.

I should like to make two general observations:

1. There is an illusion about the whole Federal old-age and survivors insurance. Because the taxes on pay rolls are paid into a trust fund and paid out without appropriation by Congress, there is an idea that these are neither taxes nor Federal expenditures. They are just as much a burden upon our national economy as any other tax or any other Government expenditure. Also, payroll taxes, however justifiable, are, like all other taxes, a burden on the standard of living of the whole Nation. A considerable part of the pay-roll taxes paid by employers in the long run is passed to the people as a whole in prices, and a considerable part of the taxes paid by wage earners is passed on by demands for increased wages.

2. The old-age problem has been thrust upon the Federal Government largely by the great increase in longevity. Its dimensions are indicated by the fact that there will be by 1950 about 11,000,000 persons over 65 years of age. They will increase in numbers absolutely and relatively, both with the increase in population and with the constantly advancing protections to health.

Recently, Mr. Arthur J. Altmeyer, Commissioner of the Social Security Administration, said:

When the Social Security Act was passed in 1935, the basic idea was that contributory social insurance would be a first line of defense against destitution. It was expected that, as time went on, Federal and State governments would have less and less of a burden under the public-assistance laws. Today, however, the number of needy persons receiving public assistance is greater than it has been at any time since the passage of the Social Security Act. Moreover, the number of aged persons receiving public assistance is nearly twice as great as the number of persons receiving benefits under the Federal old-age and survivors insurance system.

It is also true that the largest proportion of persons receiving what we call general assistance, as distinguished from old-age assistance, aid to the blind and aid to dependent children, consists of persons who are suffering from physical disability. If our social-insurance system covered disability, we would be able to reduce considerably the burden on States and localities for providing this general assistance.

Mr. Chairman, while this bill, H. R. 6000, does extend its coverage to give protection to a large number of employees not now covered, it is wholly lacking in providing security for the elderly citizens of America who are not able to qualify as an insured employee. This group is a large one. It is for those I plead. Every State in the Union has a long list of elderly people knocking in vain at the doors of public-welfare offices seeking some protection under the social-security law. To a large extent their cries are going unheeded by reason of the fact that existing legislation, Federal and State, fails to provide the minimum of social security insuring shelter, food, and medical care for America's aged. This great Nation, with the greatest productive power of any nation throughout all history, with the facilities, manpower, and know-how to produce the necessities of life not only for our own people but for half the world besides, cannot be excused for its neglect of its aged citizens. It has taxed its people to send overseas since the war ended over $21,000,000,000 to help to rehabilitate the nations of the Old World and thereby insure a stable and peaceful world and protect our own country, yet it falters in meeting its responsibility for its aged citizens at home.

This bill, H. R. 6000, we are considering seeks to amend and extend social security for the employed and disabled but continues to leave unprotected the millions of other aged citizens in need who cannot qualify as employees under it.

The United States is a nation with only one-sixteenth of the earth's population and only 6 percent of the world's area, but it produces nearly seven-sixteenths of the world's goods. Our people own 46 percent of the world's electric power, 48 percent of its radios, 54 percent of the telephones, 59 percent of its steel capacity, 60 percent of its life insurance, 85 percent of its automobiles, with the most schools, the most churches, and the best health record. Yet we refuse to provide meager subsistence for millions of our aged in need.

Mr. Chairman, I will repeat some of the arguments I presented to the Ways and Means Committee when the proponents of the Townsend legislation were granted a hearing on March 14 of this year in which I discussed the merits of the Townsend legislation and compared its provisions and objectives with those of the existing social-security plan which H. R. 6000 seeks to amend and extend.

As a Member of Congress for over 10 years I have been deeply interested in old-age and disability security, and am the author of H. R. 2136.

We in America can be justly proud of our achievements in the development of our industrial production which enables us to stand in the forefront of all nations in the ability to produce food, clothing, shelter, and other necessities of life in abundance, not only for our own people but to help other nations in need. This was a major factor in winning the war. However, with machine labor and mass production, we have found that the elderly people in America, by reason of the very success we have achieved in production, are outcasts and have been deprived of remunerative employment in their declining years.

Existing social and economic conditions force upon us the complex question of security for the individual in our modern industrial civilization. Since 1919 the number of self-employed individuals in the United States, including farmers, has remained fairly constant at about 9 or 10 million. During the same period the number of employees in the American labor force has risen from 32,600,000 to over 60,000,000, almost double. Since population has been increasing during this entire period, the percentage of self-employed persons in the United States has declined from about 22 percent in 1919 to about 16.6 percent in 1946. In other words, we are facing an age-old problem under rapidly changing conditions.

The young and vigorous are on the pay rolls of this machine age and the elderly citizens are relegated to the side lines. As a result of this maladjustment, we find the aged unemployed increasing in numbers and in want, and we are faced with the problem of social security to meet the needs for livelihood of this large group.

To meet this problem the Congress passed Public Law 271 in the Seventy-fourth Congress, setting up a social-security program not only for the aged but for the blind, dependent, crippled children, and with certain assistance to maternal and child welfare and public health. The Seventy-sixth Congress made extensive amendments to the law, and as a result we now have two major programs governing social security—title I, providing grants to States for old-age assistance, and title II, setting up a program for Federal old-age and survivors insurance benefits. For over 10 years now these laws have been in operation, and we find that they fail, in many important particulars, to meet the problems we are seeking to solve in providing adequate social security for the aged and disabled.

The Advisory Council on Social Security to the Senate Committee on Finance made its report and recommendations last year. The council consisted of 18 outstanding leaders, representing practically all segments of our industrial and social life. Their recommendations are significant in that they point out the deficiencies of the existing program for social insurance. The council found three major deficiencies in this old-age and survivors insurance program, which I quote verbatim:

1. Inadequate coverage—only about three out of every five jobs are covered by the program.

2. Unduly restrictive eligibility requirements for old workers—largely because of these restrictions, only about 20 percent of those aged 65 or over are either insured or receiving benefits under the program.

3. Inadequate benefits—retirement benefits at the end of 1947 averaged $25 a month for a single person.

In order to remedy these deficiencies, this advisory council recommended that the coverage be extended to include the self-employed, farm workers, household workers, employees of nonprofit institutions, Federal civilian employees, railroad employees, members of the armed services, and employees of State and local governments, all of which are now excluded from the benefits of the act. The council further recommended extending greater liberality in eligibility and increased benefits and survivors' protec-

tion. The findings of this council clearly disclose that the present social-security program is basically inadequate and must be completely overhauled or supplanted by a more effective program.

There were more than 100 bills pending in the Eightieth Congress proposing changes in the social-security law. Several sought to increase old-age and survivors insurance. Forty-one urged increases in old-age assistance. Thirteen dealt with aid to dependent children. These all pointed to the inadequacy of the present system and the need for drastic changes or the enactment of a new plan.

I will discuss some of the failings of the present system of old-age security and compare it with the proposal embodied in H. R. 2135 and H. R. 2136.

The problem of caring for the aged, the disabled, and dependent children, as seen today in the eyes of proponents of the Townsend plan, and others, is that there are millions of such persons in need among us who are not now, and cannot in the future, be cared for in an honorable and just way by the present system of social security. Under this system, millions of old people receive either no support or hopelessly inadequate support. The system which has been set up is extremely cocmplicated. To supply these deficiencies we propose H. R. 2135 and H. R. 2136.

In the Eighty-first Congress, several bills identical in language, propose the Townsend plan. They are H. R. 2135, BLATNIK; H. R. 2136, ANGELL; H. R. 2677, WITHROW; H. R. 2743, VAN ZANDT; H. R. 2792, PETERSON.

This is a self-financing noncontributory retirement system under which beneficiaries will receive annuities as a matter of right without reference to need or prior contributions. It is Nation-wide and covers all citizens 60 years of age or over. It is a pay-as-you-go system. Annuities will be paid currently out of currently raised revenues. Sums received by annuitants must be spent within 30 days. The existing system of old-age and survivors insurance and old-age assistance is abolished, together with the pay-roll tax for financing old-age and survivors insurance.

OASI, United States Code, title 26, sections 1400–1432; title 42, sections 401–410a, is a self-financing contributory Federal retirement system under which the insured and their dependent survivors receive annuities as a matter of right in an amount which depends on the length of the period of membership in the system and the amount of wages received by the insured during such period. It is a system under which a reserve is built up against the accumulating liabilities for persons who will retire in later years. The reserve, however, is more in the nature of a contingency reserve than a full reserve. Individual accounts are kept for each worker.

United States Code, title 42, sections 301–306, 601–606, 1201–1206, contains provisions corresponding to those provided under the Townsend proposal giving grants to States for old-age assistance without contribution.

This is a noncontributory State system, aided by Federal grants, under which payments are made to beneficiaries on a basis of need in an amount fixed by State law. The State programs, though they must conform to the requirements of title I of the Social Security Act, differ widely in type from State to State.

The philosophy and objectives of the Townsend proposal as compared with the philosophy and objectives of the existing system have much in common, but there are marked differences. The Townsend proposal would give recognition to the past labors of the aged and would offer them dividends from the wealth they helped to create. It would give this as a matter of right without any direct relation to specific monetary contributions. The existing old-age and survivors insurance program gives benefits as a matter of right but ties them to a principle of insurance—something that each prospective annuitant and his employer buys as he participates in the productive processes of the country. Finally, old-age assistance is provided to the aged who, because of the lateness of starting the program of old-age and survivors insurance or because of inadequate coverage or benefits, are in need and should be helped.

Townsend plan: Annuities should be offered with neither the stigma of charity nor the aroma of poverty. They should be offered as a matter of right as dividends from the national wealth the aged have helped to create. The system should be one to replace the complicated, arbitrary, and inequitable provisions of the existing law. It should be one which will have a stimulative effect upon our economy and one which will help to make available jobs to all the young who will replace the aged as the latter move into retirement at a decent standard of living.

Only noncontributory pensions will meet the needs of those now grown old who are in need because of past neglect in providing an adequate contributory retirement system. Since at the time the system was adopted most of the States were financially unable to assume the burden of so many aged who moved onto Federal relief rolls; it was deemed proper to continue to provide Federal aid to States to provide relief to those aged who were in need.

Much of the argument in support of the Townsend plan stems from the limited coverage and inadequate benefits of the present system. For example, most of today's aged who are not working left the labor force before they could build up rights to benefits under OASI. And even among the young and still employed, under the present OASI system, there is no coverage for jobs in agriculture, domestic service in private homes, Federal, State, and local government employees, and workers in religious, charitable, and certain other nonprofit organizations, the self-employed, and others as well. About one-third of the workers engaged in employment are not covered by the system; and of the 78,700,000 living persons with OASI wage credits at the end of 1948, about 40,500,000 were neither fully nor currently insured on the basis of their wage records, and hence were not protected under the programs. In the Federal Security Agency, Social Security Administration, Annual Report, 1947, section 1, page 7, 18, 39, it is said:

> Under our present provisions it would be possible for an individual to work at some time during the course of his working life in jobs covered by Federal old-age and survivors insurance, the Railroad Retirement Act, the Civil Service Retirement Act, and the retirement plan of a State or locality. According to the length and timing of such employments, he might become eligible to receive retirement benefits under one or more or all of these plans. Another man, with similar earnings under several of the programs, may go through a working life without ever acquiring retirement rights under any. Conceivably the survivors of a worker who dies might be eligible for benefits under a Federal old-age and survivors insurance system as well as under a State workmen's compensation law and under general veterans' legislation. Another family, equally in need of income to replace the father's earnings, may have had no opportunity to gain protection under any of these programs.

No Federal provision is made to care for the disabled other than the needy blind. In the same report, pages 21 and 22, it is said:

> The United States is unique among major industrial nations in its lack of a general disability insurance system. Compensation for wage loss due to incapacity is confined in this country to work-connected accidents or diseases in industry and commerce, to service in the armed forces, and to employment in the railroad industry or by government. Two States provide benefits for temporary disability under arrangements similar to unemployment insurance and with the same coverage. In June 1947 these special systems, in the aggregate, reached very few of the 2,000,000 to 2,500,000 persons disabled on an average day and recently in the labor force, who but for their incapacity would be working or seeking work.

The Social Security Administration in this report, pages 1 to 63, concedes the limitations of the present law and strongly urges extension of coverage. The present law was and continues to be considered simply as a cornerstone of a structure which was to be expanded. Approach has been piecemeal and dictated by practical considerations. There has been the fear that in attempting to accomplish too much all would be lost.

Under the existing law under old-age and survivors insurance the average benefits are approximately $25 per month according to the latest data available from Social Security records. To obtain this payment the worker and the employer would have to make contributions over a long period of time. On the other hand the average of old-age assistance—not available to those under the retirement plan but given only on a claim of need—was some $16 more per month than the old-age and survivors insurance payments. According to late figures payments in Colorado reached

$67.08, in California $70.55, in Washington $67.11, in my own State of Oregon, $48.21. It is thus shown that those receiving assistance who did not contribute to the program received very substantially more than those who through the years contributed taxes based on monthly incomes.

It is reported that recipients of relief now exceed by nearly 1,500,000 the insured workers who are drawing benefits. In the month of October last the number granted cash on the basis of need totaled 2,469,372 as against 1,016,303 retired workers receiving old-age insurance. This experience is directly opposite to that contemplated when the Social Security Act was enacted. It was believed that gradually all old-age beneficiaries would come under the provisions of the old-age and survivors insurance program and those receiving assistance on the basis of need would be gradually reduced and eventually eliminated.

Mr. Arthur J. Altmeyer, Commissioner for Social Security, in an article appearing in the Social Security Bulletin for December 1948, said:

> Today we have Federal old-age and survivors insurance and a railroad social insurance system that covers the risk of wage loss from old age, premature death, temporary and permanent disability, maternity, and unemployment. We have unemployment insurance laws in all the States and Territories. We have 1,800 permanent full-time public employment offices. We also have temporary disability laws in three States, covering loss of wages due to nonindustrial accident and sickness. Besides these forms of social insurance, we have in effect federally aided State-wide old-age assistance programs in all the States, aid to dependent children in all States but one, and aid to the blind in all but four States * * *.
>
> Benefits paid under the various forms of social insurance are for the most part inadequate. The increase in the benefits that have occurred have not kept pace with the increased cost of living. Moreover, as I have already indicated, only three States provide protection against loss of wages resulting from nonindustrial accidents and diseases. There is no protection under Federal old-age and survivors insurance against permanent total disability. There is no protection under either Federal or State law against the costs of medical care.
>
> As far as the various forms of public assistance are concerned, the Federal Government has provided increased participation in the costs. This increased participation has enabled the States to provide more financial assistance to needy persons than they otherwise would have been able to do. Therefore, the increase in Federal participation is desirable in itself. At the same time, however, that more Federal participation has been provided in meeting the cost of public assistance, there has been a lopsided development of our total social-security system.

A major defect in the present system is the smallness of individual payments, and their inadequacy in providing a decent standard of living. As one of my colleagues has said, the old-age insurance program is allegedly based, in respect to the payments to the recipients, upon the contributions made by the workers, the employees, and their employers. A vast actuarial scheme has been set up, requiring the attention and deliberation of highly trained actuaries. Great shelves are being filled with volumes of statistics, weighted averages, median lines, maximums, minimums, involved and intricate forms. At the end, what happens? At the end, the average worker comes out with about $25 a month, far less than he would get if he were under the old-age assistance program. This plan actually contemplates that these actuarial calculations will become effective against a boy 16 years of age who is in a covered occupation, and that for 50 years, until he is 65 years of age, the Social Security Board will keep track of his employers and of the tax payments made from his wages; also of his wife, his children, his job, and his compensation; and then, as a result of those calculations, it will determine what that young man will receive 50 years from now. In other words, these actuarial calculators are now calculating whether 50 years from now that boy will get $10.50, or $19, or $20. In the next 10 or 20 years we are going to have crisis after crisis; what these crises may be, no one can readily predict; but certain it is that many of them will bring widespread economic dislocation. And here is a group of men who solemnly assert that by means of this actuarial system they are at this time determining how much workers will be paid 10 to 20 to 50 or even 100 years from now. The sad and pathetic aspect of it is that these payments will amount to only approximately $10 a month, which is the minimum, or up to approximately $60 a month, which is the maximum. As a matter of fact, these payments are so meager and so low that they nauseate and sicken the human heart. It is true H. R. 6000 increases these payments, which is commendable.

Subject to particular attack has been the fact that the average payments under public assistance, for which a showing of need is required, exceed on the average payments under OASI toward which the beneficiaries have actually made payments as shown in the Social Security Bulletin, November 1947, pages 34 to 36, and in Social Security Bulletin, October 1947, page 33. It is also pointed out that it is rash to attempt to fix by statute and provide through reserves the payments that will be paid many years hence. Changes in the purchasing power of the dollar are so great that attempts of one generation to set minimum decent standards of living for succeeding generations cannot but prove fruitless and just waste motion.

It is not possible to estimate definitely the per capita annuity that would be available under the Townsend proposal should it be enacted. Its virtue is its elasticity, the monthly payments keeping pace with the purchasing power of the dollar. The tax formula could be changed by the Congress from time to time to meet the existing needs. Since the amount of the monthly payments for the beneficiaries depends upon the tax collected and the number of eligible citizens who apply for the annuities, it is not possible to determine with any degree of accuracy what these payments would be without knowing the national gross income and the number of recipients. However, amounts payable under the Townsend plan will be found by subtracting administrative costs from tax receipts and dividing by number of beneficiaries. Proponents of the plan have variously estimated the benefits that would be payable monthly.

At the present time old-age-assistance payments are financed through congressional and State, and sometimes local, appropriations. No special Federal levy is made to finance the Federal share. Payments to the recipients are actually made by the States. The Federal contribution for payments to the aged and blind is three-fourths of the first $20, plus one-half of the remainder up to $50. It is three-fourths of the first $12 for each child, one-half of the next $15 for the first child and one-half of the next $6 for each additional child. The maximum Federal contribution is $50 for the aged and blind, $27 for the first dependent child, and $18 for each additional child.

Under the Townsend plan, each installment of the annuity received must be spent within the United States by the end of 30 days after its receipt. The proceeds from the sale of real property acquired through the use of money received as an annuity must be spent within 6 months. The purpose of this is to keep the money in circulation, stimulate the economy, and stabilize production. There is no comparable provision applicable to payments under OASI or public assistance.

Complications involved in the administration of old-age and survivors insurance are frequently pointed to as one of the arguments against that system. "Illusory," "sheer fraud," "swindle" are favorite epithets for attacking the reserve. A discussion of this appears in Legislative Reference Public Affairs Bulletin No. 46, 1946, Financing Social Security, pages 41–61. A more recent further attack has been made by John T. Flynn in his Our Present Dishonest Federal Old-Age Pension Plan, Reader's Digest, May 1947. This is reprinted in the CONGRESSIONAL RECORD, May 5, 1947, page 4613.

The great objection to the public assistance programs is that, being State administered, amounts paid vary greatly not only as between States but also as between localities within the same State. So far as the Townsend proposal is concerned, none of the foregoing would present a problem, but the proposal would have some problems of its own to be worked out. Some of the foregoing points I will now consider in further detail.

The Bureau of Internal Revenue is to collect the tax under the proposed Townsend plan law. Every person having a personal income in excess of $250 and all other persons or corporations having any gross receipts would be required to make monthly returns. Much of this

work of collection could be eliminated if a method of collection at the source were devised. Another administrative problem would be the sending out of the checks each month to the pensioners. A similar problem is now being met under the Social Security Act.

Under old-age and survivors insurance, the Social Security Administration in the Federal Security Administration administers the payment of benefits, while the Bureau of Internal Revenue collects the tax. The cost of administering this program is now running around $50,000,000 per year. Total costs through 1947 were about 15 percent of benefits paid out and a little more than 2 percent of total receipts—taxes plus interest on assets. For the fiscal year 1947, administrative costs were 2.5 percent of receipts and 9.6 percent of benefit payments. Part of the administrative chore is keeping the wage records of 78,700,000 living persons and determining the amount of benefit each—and his family—is entitled to if and when he or they become eligible for a benefit payment.

Though old-age and other public assistance plans are State administered, the Federal Government contributes to the administrative costs. The contribution is 5 percent of the grant for old-age assistance and one-half the cost of administering aid to dependent children and the blind. The total Federal and State administrative costs in the fiscal year 1947 ran approximately as follows: Old-age assistance, $50,026,000; dependent children $21,289,000; needy blind $2,396,000. The costs ran higher for the year 1948 but the break-down is not yet available.

Proponents of the Townsend plan believe that the economy of the Nation will benefit by reason of the expenditure of the annuity within 30 days after its receipt. According to the bill (a) the annuity shall be spent within the confines of the United States, its Territories, and possessions; (b) each installment of the annuity shall be spent by the annuitant within 30 days after the time of its receipt; (c) an annuitant shall not engage in any occupation, business, or other activity from which a profit, wage, or other compensation is realized or attempted, except that nothing in this title shall be construed to prohibit an annuitant from collecting interest, rents, or other revenues from his own investments. No annuitant shall support an able-bodied person in idleness except a spouse; (c) any sum received by an annuitant which represents the proceeds of a sale of any real property acquired through the use of money received as an annuity under this title shall be expended by the annuitant within 6 months after the receipt of such proceeds of such a sale.

The thought behind this proposal is that in the years before the war people in general tended to hoard their earnings. Consumption did not keep pace with our ability to produce. The result was that we had underproduction, underconsumption, and unemployment. Under the Townsend plan there will be no incentive for elderly people of limited income to hoard their meager earnings as the haunting fear of old age and destitution will have been removed. The proceeds of the tax will go to people who will move out of employment. They will be required to spend the proceeds of their annuities within 30 days. This will stimulate production, production will promote employment, the younger will move into jobs vacated by the aged, and we will have prosperity.

The old-age and survivors insurance program, being a contributory plan based upon contributions by both employers and employees, each paying a tax of 1 percent of the first $3,000 of wages, to be increased to 1½ percent in 1950–51 and 2 percent thereafter, is, in effect, a tax on production and a burden on all citizens. The plan gives inadequate relief to those covered and is unjust to those not covered. These taxes go into what is called a trust fund which, on June 30, 1949, amounted to $11,200,000,000. The Government spends the trust funds as received for the regular expenses of Government, and replaces the funds with Government securities bearing interest paid by the Government, which encourages deficit spending. It follows that when these funds are needed, in lieu of the bonds the Government will be obliged to levy another tax on all taxpayers to meet the demands upon the fund. Notwithstanding this huge balance in the trust fund on December 31, 1948, there had been paid to beneficiaries under the program up to that date, only $2,328,606,000. The cost of administering this program is now running approximately $50,000,000 a year. For the fiscal year 1948 administrative costs were 10.8 percent of the benefit payments. A major part of the heavy administrative work is in keeping the wage records of 78,700,000 living people and determining the amount of benefits each—including his family—is entitled to if and when he becomes eligible for benefit payments. To be fully insured for life a worker must have 40 calendar quarters of covered employment. Minimum benefits for a worker are $10 a month, and for a worker and his wife, $15. Maximum benefits currently paid are $45.20 for a worker and $67.80 for a worker and his wife. The average payments as of December 1948 were $25.40 for a worker and $38.10 for a man and his wife. This old-age and survivors insurance plan contemplates these actuarial calculations would become effective for a boy 16 years of age in a covered occupation and that for 50 years or until he is 65 years of age, the Social Security Board will keep track of his employers' and his tax payments made from his wages and other essential data covering the case, and based thereon will determine what he will receive in benefits 50 years from now which, according to present average payments, would be about $25 a month. With the ups and downs in the economic conditions of our Nation and the fluctuation in the value of the dollar, it is at once apparent that the whole scheme is unworkable and, in fact, offers little social security to our workers. These workers, who, with their employers have been taxed through the years and who are now receiving only an average payment of $25 a month, are receiving less than many of the old-age beneficiaries who pay no tax to the fund. In the meantime, the Federal Government is piling up a huge so-called reserve fund which, in reality, is only a paper fund as the actual moneys are expended as received by Government bureaus, and only I O U's are left in the fund.

All of these difficulties would be avoided by the enactment of legislation of the type we propose in H. R. 2135 and H. R. 2136 which, as I have said, is a pay-as-you-go plan and is financed from current receipts, to which all contribute who come within the tax formula. Particularly, it would eliminate the unsound reserve fund, the bureaucratic spenders' paradise for inflation and deficit spending. Furthermore, our proposal would be elastic so that monthly annuities necessary to enable the recipient to maintain himself in decency and health, would be determined currently, based on existing conditions and tax revenues collected, and which would be adequate to meet necessary living expenses.

While it is true H. R. 6000 provides additional funds to carry on the old-age assistance program, the revised method of allocation of the funds to the recipients is so arranged that the additional Federal assistance will go to those States in the Union which have provided the least help to the aged. As shown by the tables on page 41 of the committee report in the "Old age groups receiving from $20 to $45 per month" of which only $5 to $17.50 is contributed by States and local funds, recipients may receive an increase from Federal funds of from $5 down to $1.25 a month, providing the States make the same contributions heretofore given. However, the States such as California, Colorado, Washington, and my own State of Oregon, which have contributed more generously to the welfare of these people, will receive no additional Federal funds.

It is apparent, therefore, that the Pacific Coast States will receive no additional Federal contributions under this law to pass on to old-age annuitants under the old-age assistance provisions of social security and they will be relegated to the existing inadequate allowances for the needy citizens.

The old-age assistance program under the present social-security law is also wholly inadequate to provide a decent annuity to old people of our Nation who come within its provisions. It is a starvation allowance. There is little uniformity in the payments made in the several States. Many old-age annuitants are suffering from malnutrition and starvation. In my own home city this news item appeared:

OLD-AGE PENSIONER FOUND CRITICALLY ILL

Leonard Dow, 79, Lind Hotel, old-age pensioner who was found seriously ill in his room Friday, was taken to the Emergency Hospital. Attendants said he is suffering from pneumonia and malnutrition. He later

was admitted to Permanente Hospital, where his condition is reported critical. Dow is the third elderly person found this week in need.

Many of our aged citizens throughout the United States are similarly situated. If we are to preserve the American way of life and our economic and democratic processes under free enterprise, we must find a solution not only for our unemployment problems but also for the problems of providing adequate care for the aged and disabled. With an accelerating advance in technology in the post-war era, and with the commercial development of atomic energy presaging more rapid transitions in mass production, the social risks and hazards of unemployment and old age are increased. Rather than see workers pushed from the active labor force, hit or miss, the logical policy to follow is one of selection. The older group has earned retirement. Many of them are not covered by the Social Security Act. By covering the entire group, the whole process of business activity will be stabilized. Retirement payments will provide continuous buying power, will provide the needed balance in market demand, and will help to provide mass consumption without which our mass-production economy cannot function successfully. It will lead the way to greater prosperity in our Nation.

It was by reason of these deficiencies in the old-age security program that those of us in the Congress interested in the problem introduced the Townsend legislation, which is embodied in H. R. 2135 and H. R. 2136. The closed rule by which we are bound does not permit an amendment being offered embodying our proposal.

The aged, through no fault of their own, through the fiat of industry, are denied a part in production. They toiled the longest in production and should not, when old, be deprived of taking part in consumption. They are the victims of an industrial system for which they are not responsible. Society owes a duty to these old folks, and it can only perform this duty by establishing a national annuity system providing against the hazards of old age and disability. There are now millions among us 60 years of age and over who are not now being cared for in an honorable and just way by the present system of social security, and are receiving no support from any source or hopelessly inadequate support. Our plan would replace the complicated, arbitrary, and inequitable provisions of the existing law. It is financed by a gross income tax in which all participate. As I have already said, it is a pay-as-you-go system, and annuities will be paid currently each month out of currently raised revenues, and the sums so received by annuitants must be spent within 30 days. Under the plan the existing system of old-age and survivors insurance and old-age assistance will be abolished and a new program substituted therefor. This proposal gives recognition to the past labors of the aged and would offer them dividends from the wealth of American industry which they helped to create. These annuities are provided for these self-respecting American citizens as a matter of right, without reference to need or prior contributions, and with neither the stigma of charity or the aroma of poverty.

Mr. Chairman, I regret, as I have said before, that the Rules Committee has brought this legislation before the House under a gag rule which will not permit any amendments and which will not give the House an opportunity to vote upon an amendment embodying the Townsend legislation. I trust that if the bill passes the House the Senate will make it possible for the Congress to pass judgment upon a Federal social-security program which will eliminate State lines and make it possible for all of the aged and disabled citizens and dependent widows and children of the United States to have adequate social security protection, which they are not accorded under the present social-security law, even after it is amended by the provisions of H. R. 6000.

Mr. WOODRUFF. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, I consider it to be absolutely unfair and undemocratic for the majority leadership to bring the social security bill to the floor of the House under a gag rule.

This bill contains 600 pages. There are a number of controversial features in the bill. It is far reaching in its effect upon the people of this country. It is a bill that determines permanent policy on the broad question of social security and is entitled to full consideration and debate by the membership of the House.

Furthermore, Mr. Chairman, there are many Members who would like to offer amendments to this bill, and yet, by adopting this gag rule, 435 Members must approve or reject the bill as written and in entirety. Do not forget the bill was written by 15 Members of a House committee.

I have no fault to find with the fact that the bill was written by a majority of the House committee. My criticism is that the bill is of such vast importance and of Nation-wide interest that Members ought to have a right to submit amendments and have them discussed.

This procedure is autocratic, to say the least. Furthermore, to say that some other Congress in the past followed this kind of procedure with respect to some other bill is not sufficient excuse or reason for following such policy on this legislation. The problem is too important to be considered under a gag rule where no one is even given an opportunity to offer amendments of any kind.

Let me repeat, the question I am raising now is not with respect to the approval or disapproval of the bill. The question I raise is that of placing the House in a strait-jacket whereby we must take the bill in its entirety as written or vote against all of its provisions.

Mr. Chairman, we were called back 2 weeks ago and have been in session only 4 or 5 days. It seems to me that since you have seen fit to insist on bringing the bill to the floor of the House, then you ought to permit plenty of time for discussion and amendments.

Let me say further that since this bill will not even be considered in the Senate during the present session, the right thing to do is to have it printed and then let it go over until the first of the year so the people may have a chance to examine its provisions in the meantime. The reason I make this suggestion is because of an agreement that has been made by the majority party not to consider it in the Senate until next year.

Mr. WOODRUFF. Mr. Chairman, I yield 11 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, you have just listened to a very excellent, statesmanlike discussion of our social security set-up and the problems contained therein. I fully agree with what the gentleman from Arkansas said about the gentleman from New Jersey: He is one of the best posted men in the Congress on social-security problems. He has, however, given you a description of the social-security set-up and its problems from the standpoint of an enthusiastic supporter of the problem. Now, I am going to give you a description of the social-security set-up as a whole, not the ramifications of it, from the standpoint of a man who is violently opposed to the way the social-security set-up is being administered, and the law under which it is being administered.

Mr. Chairman, social security is a splendid thing. It is supposed to provide financial independence for old folks no longer able to work. Properly administered, it would do just that. But the New Deal politicians who invented the plan wanted the tax money to spend at once; so, through political cunning and sharp practice, they put across on the American worker and employer this scheme to collect taxes now for old-age security benefits, spend the money for other things, and then levy additional taxes upon future generations to pay the old-age benefits that present-day workers have already paid for. The social-security objective is excellent; the plan for financing it is "phony."

Social security taxes are paid to insure security in our old age. Uncle Sam has collected some $15,000,000,000 for that purpose, but he has spent every cent collected for current needs. It was spent as fast as it rolled into the Treasury. Instead of putting the money into the vault for future use when it was needed, Uncle Sam spent it and put his I O U's into the vault. When you are past 65 and are entitled to monthly benefit payments from the social-security fund Uncle Sam will have to tax your children and your grandchildren to get the money to pay what you have coming to you—what you and your employer have already paid for.

YOU PAY TWICE FOR SOCIAL SECURITY

Mr. Chairman, the premium you pay for your old-age security insurance—the dollars taken out of your pay envelope

each month—goes into the Federal Treasury and is spent for the general running expenses of the Government. Into the old-age security insurance reserve fund—in lieu of the cash collected—are placed Government bonds from which future old-age security insurance benefits are to be paid. But Government bonds only represent an obligation on the part of the Federal Government to pay out at some future time an equivalent number of dollars. And where will these dollars come from to pay this obligation or debt? From future taxation. There is no other source. Therefore, you are taxed to pay for your old-age security insurance during the time you work, and then when you retire at 65 years of age your children must pay new taxes to redeem the bonds to furnish the cash that the old-age security insurance hands out to you in the form of benefits. It is a fraudulent system, a "phony" system.

To illustrate: John Smith decides to operate his own security program and puts into his safety-deposit box a certain amount each week out of his wages as a fund to provide an annuity in his old age. After John has accumulated, let us say, $5,000 in his safety-deposit box he finds he needs money for other expenses, so he takes cash out of the box and replaces it with I O U's to himself. If he keeps on using cash out of his fund he will eventually have in his box $5,000 worth of I O U's signed by John Smith and payable to John Smith. This is exactly the kind of reserve fund Uncle Sam has set up as a social-security fund, and Uncle Sam must levy a second tax to pay future benefits.

The Federal Government wound up June 30, 1949, $1,500,000,000 in the red. Congress turned down President Truman's request for higher income taxes. Increasing the old-age security insurance taxes will bring in extra billions for current expenses. So, since President Truman cannot "soak" the rich to balance the budget he proposes to "soak" the poor to balance the budget through increased old-age security insurance taxes. Has the Federal Government either the responsibility or the right under our form of government to force its citizens to buy "phony" old-age insurance?

Now, Mr. Chairman, what does H. R. 6000, the bill now before the House for debate and action, propose to do? What are its provisions? Briefly, the following is an analysis of the general features of the bill, boiled down and stated in simple language.

The bill has 201 pages and the report has 207 pages, all technical language and terminology. The committee labored 6 months (February 15 to August 15) to overhaul our social security set-up. Half the time was given to open public hearings and half to executive committee consideration and debate. H. R. 6000 is the result of the 6 months' labor, being voted out of the committee favorably by a 22-to-3 vote. The following are the principal provisions of the bill:

A. COVERAGE

President Truman asked that 23,000,000 people not now covered be taken into the system—farmers, farm help, all professional people, such as doctors, dentists, lawyers, civil engineers, and so forth, and all self-employed. The bill takes in between ten and twelve million people not now covered, but leaves out farmers, farm help, and all professional people.

B. BENEFITS

Present benefits, under the provisions of the bill, will be in general doubled. For example: Present primary benefits run from $10 per month to $45 per month. Under the bill they will run from $25 to $64, while family benefits under the bill will run from $40 per month to $150 per month.

C. TAXES

The present 2 percent pay-roll tax for social security—1 percent on employee and 1 percent on employer—will be increased to 3 percent January 1950, 4 percent January 1951, 5 percent January 1960, 6 percent January 1965, 6½ percent January 1970. Since it will require at least 8 percent to cover accrued benefits by that time, the general treasury will be drawn upon for the balance needed.

All self-employed people will be required to pay 1½ times the rate employees are required to pay.

The taxable amount of a person's salary or wages for social-security purposes has been upped under the bill from $3,000 to $3,600.

D. ADMINISTRATION

H. R. 6000 has many technical revisions of the present law to simplify, clarify, and expand the present powers of the Social Security Administration.

E. DEFINITION OF EMPLOYEE

The definition of employee is very technical and complicated. It repeals the Gearhart bill which reinstated the common-law definition of "master and servant" for social-security purposes. I cannot explain this new definition, and I do not know anyone who can explain it. In reality H. R. 6000 permits the Social Security Administrator to use his own judgment in deciding who is an employee and who is not. The definition is not spelled out in the bill.

Mr. Chairman, H. R. 6000, in my opinion, is a long step down the road to a welfare state. It is the initial or preliminary step toward socialized medicine—a cradle-to-grave program that will eventually cost the taxpayers of this Nation between fifteen and twenty billion dollars per year.

This social security expansion program is both immoral and unsound. It is immoral because it proposes to hand out benefits now and charge most of the cost to future generations. It is unsound because it dodges entirely the expenses eventually involved. I am opposed to H. R. 6000 on many counts.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I too have enjoyed the discussion today on the highly complicated and most interesting subject of social security. I am for the expansion of social security because I believe, out of the experience gained since 1935, that when this program was first enacted, there must be some changes that could be brought about that would make it a better program.

I should like to refer, as many others have here, to a particular provision that gives me some concern, however. There are a number of provisions here that cause me grave doubt. I believe that is true of other Members. As a member of the committee has said, this represents somewhat of a compromise on some highly important issues, and this is what we have.

I am from the southern part of Arkansas, where we have tremendous timber, sawmill, pulp, paper, and logging industries, which mean much to the economy of our area and to thousands and thousands of employees, and their welfare. This is why I am making an effort to try to clarify what seems to be a very important definition as contained in this bill with far-reaching effect, and one that seems to have created a great deal of interest among many people and particularly in the timber, sawmill, pulp, and paper industries.

I refer particularly to the definition of "employee," which is proposed in the bill to include—

(1) Any officer of a corporation; or

(2) Any individual who, under the usual common-law rules applicable in determining the employer-employee relationship, has the status of an employee. For purposes of this paragraph, if an individual (either alone or as a member of a group) performs service for any other person under a written contract expressly reciting that such person shall have complete control over the performance of such service and that such individual is an employee, such individual with respect to such service shall, regardless of any modification not in writing, be deemed an employee of such person (or, if such person is an agent or employee with respect to the execution of such contract, the employee of the principal or employer of such person); or

(3) Any individual (other than an individual who is an employee under paragraph (1) or (2) of this subsection) who performs services for remuneration for any person—

(A) As an outside salesman in the manufacturing or wholesale trade;

(B) As a full-time life-insurance salesman;

(C) As a driver-lessee of a taxicab;

(D) As a home worker on materials or goods which are furnished by the person for whom the services are performed and which are required to be returned to such person or to a person designated by him;

(E) As a contract logger;

(F) As a lessee or licensee of space within a mine when substantially all of the product of such services is required to be sold or turned over to the lessor or licensor; or

(G) As a house-to-house salesman if under the contract of service or in fact such individual (i) is required to meet a minimum sales quota, or (ii) is expressly or impliedly required to furnish the services with respect to designated or regular customers or customers along a prescribed route, or (iii) is prohibited from furnishing the same or

similar services for any other person—If the contract of service contemplates that substantially all of such services (other than the services described in subparagraph (F)) are to be performed personally by such individual; except that an individual shall not be included in the term "employee" under the provisions of this paragraph if such individual has a substantial investment (other than the investment by a salesman in facilities for transportation) in the facilities of the trade, occupation, business, or profession with respect to which the services are performed, or if the services are in the nature of a single transaction not part of a continuing relationship with the person for whom the services are performed; or

(4) any individual who is not an employee under paragraph (1), (2), or (3) of this subsection but who, in the performance of service for any person for remuneration, has, with respect to such service, the status of an employee, as determined by the combined effect of (A) control over the individual, (B) permanency of the relationship, (C) regularity and frequency of performance of the service, (D) integration of the individual's work in the business to which he renders service, (E) lack of skill required of the individual, (F) lack of investment by the individual in facilities for work, and (G) lack of opportunities of the individual for profit or loss.

I have carefully read the explanation of the committee in paragraph 9, page 14, of the committee report and also the explanation in the section-by-section analysis of the bill, beginning on page 80, including examples applicable under the definition. I appreciate the determined effort the committee has made to clearly explain the meaning of this proposed definition.

However, much speculation has arisen and there are grave doubts in the minds of some people whose businesses will be affected by the definition, and the actual application to their own operation.

I think it should be and I believe it is the purpose and intention of the committee in bringing to the Congress this definition for business as well as employees to know whether or not they would apply to their own operation which is an established operation. In other words, I believe the gentleman would concur with me that this definition should be clear and explicit so this company or that company or this employee or that employee would know if it is applicable to his own situation.

In that there is some doubt and apprehension in the minds of some, I should like in order to clarify this meaning further to propound to my colleague from Arkansas [Mr. MILLS], a member of the committee, some further hypothetical questions of actual and existing operations of some businesses in the sawmill, lumber, pulp, paper-mills, timber, and contract operation. I thoroughly concur in the high compliment paid him by other members. The gentleman is so familiar with the meaning of the definition, his answer would no doubt be the determining factor in the administration, if this becomes law, of these specific and existing contractual operations between company and independent contractors.

For instance, there is a company I could name in my district. It contracts logging.

The contractors own their truck and furnish all equipment, which usually consists of a truck and trailer, a team and saws. The company may or may not own the timber lands; most of the time it does and some of the time under timber contracts the contractor merely cuts down the trees, saws the logs, loads them and hauls them to the mill. These contractors handle their own pay rolls. They handle and report social security and income-tax deductions. The company simply pays them under a written contract, different prices depending on the amount of timber, the distance from the mill and other factors. They too are perfectly free to make a contract to haul for any other mill that they see fit, although most of them haul for this particular company most of the time.

Under this statement of fact, and actual situation, would, under this definition, these men in the administration of it be considered contractors or employees of the company and would any of the men that might be working for the parties entered into the contract to deliver the timber to the mill be considered under this definition employees of the company?

Mr. MILLS. Mr. Chairman, if the gentleman will yield?

Mr. HARRIS. I am delighted to yield to my colleague.

Mr. MILLS. On the basis of the information the gentleman has submitted, it is quite clear to me that the intention is that the definition of the term "employee" does not include this individual, this contractor, as an employee of this lumber company. That individual, under this definition, is intended to remain an independent contractor. Let me point out why.

First of all, it is hard to find control over that individual. Second, there is no permanency of relationship. The relationship is based upon a contract that may be for 2 weeks or 3 months or a year, but it is not within the meaning of the language on line 11, page 51, "permanency of relationship." The integration of the individual's work, of course, is present.

But on the other hand, this individual has an investment in the tools of his trade. In your case he owns trucks. He certainly owns axes and saws. In the last line of paragraph (4), on page 51, you find this language: "lack of opportunities of the individual for profit or loss," denoting the status of employee where there is that lack.

This individual is in a business of his own, where he runs the risk of suffering a loss and anticipates making a profit.

Mr. HARRIS. In other words, the contractor would be responsible for the social-security tax?

Mr. MILLS. As an employer; yes, sir.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. CURTIS. I am not familiar with the type of industry that has been described. Is this person known as a contract-logger?

Mr. MILLS. Yes. He is known as a contract-logger. I know enough about the situation which exists in the territory of the gentleman from Arkansas to be able to advise the gentleman from Nebraska that he is known as a contract-logger. That is his business.

Mr. CURTIS. If the gentleman will refer to paragraph (3), would not that bring them in as employees?

Mr. MILLS. Paragraph (3) would not bring this individual in because of the language which is found beginning on line 16, page 50 of the bill. As the gentleman knows, the contract-logger is mentioned by category in line 3, page 50, but in order for him to be an employee, he has to come within this language beginning on line 16, page 50, and extending over through line 3, page 51, this particular individual would not come within that definition.

Mr. CURTIS. But he would have to meet the test of being employed.

Mr. MILLS. That is correct.

Mr. HARRIS. Here is another case. I regret to have to take up so much of the time of the committee, but it is highly important and a specific operation and typical, not only in my district, so far as the lumber, sawmill, pulp and paper industry is concerned, but it is typical all over the South where we have southern pine operations. It is also important throughout the United States in the timber and mill industry. I am not indicating the question of employee coverage, but clearly determining the responsibility. The taxes must be paid. It is not right, nor is it the intention of an employer or company, to proceed under one ruling or interpretation for years and find he must pay thousands of dollars by administrative ruling, thus vitally affecting the company's economic status and relationship with its employees.

This case also is actual, concerning a certain company in my district and a typical one in our area.

This company enters into a contract with an independent logging contractor who employs some 15 men. He owns and operates, saws, two trucks and trailers, one tractor, perhaps one mechanical saw and odd tools. His investment is approximately $10,000. He complies with all State and Federal laws, such as wage-hour, social security, workmen's compensation, and so forth. He has contracted with this major lumber company for 12 to 15 years. He may or may not have ever contracted with any other company. In carrying out the contract with the company, he will probably cut from the company's own timber or a timber deed owned by the company. His contracts are entered into after negotiation with the company as to terms, price, products to be cut, and so forth. His contracts are for bids ranging from 2 weeks to 3 months. He

most usually owns his own home and a small plot of land in the rural areas. He may own some livestock and farm some, but his contract-logging operations constitute his main business. His employees usually live in the area, too. They do some farming and raise livestock, but depend largely on woods work for their livelihood.

As described by this actual existing operation, would—under the definition in the bill—the so-called independent contractors of the company be actual independent contractors or employees of the company, and would the employees of the alleged contractor be actual employees of the company under the definition?

Mr. MILLS. Under this definition of either paragraph 3 or 4, that individual would be an independent contractor and not an employee for this reason: The fact that he may have been under contract over a period of 12 or 15 years is still not establishing a permanency of relationship, because those contracts are of short duration, and, as you have indicated, the man has a perfect right to contract with other individuals. He has capital invested. He runs the risk of loss as well as the possibility of profit. He would be an independent contractor.

Mr. HARRIS. I understand the committee in its study and formulation of this provision of the bill became familiar with the case of *Crossett Lumber Co.* v. *U. S.* (79 F. (Supp.) 20, 1948), which case involved the meaning of the term "employee" for the purposes of pulpwood operations, and decided by the Federal district court in Arkansas. In that case it was held that the individuals employed by the contract loggers were not employees of the lumber company but of the contract loggers.

Is it the intention of the committee under this employee definition that the individuals employed by contract loggers under circumstances such as those involved in that case be considered employees of the lumber company for the purposes of social-security taxes?

Mr. MILLS. As the gentleman knows, the Crossett Lumber Co. case was decided in the western district of Arkansas by my predecessor in Congress. I had occasion to talk to him about this specific case—not before the decision but long after the decision. On the basis of the information that I received from him, it appears that in the course of arriving at his conclusion he gave consideration to the very factors which the Supreme Court had used in the Silk case, and the other cases. It is true that at the time that decision was handed down, the Congress had passed the Gearhart resolution, and the common law was the law insofar as this definition is concerned. But in arriving at the meaning of the common-law rule, the judge analyzed all of those factors and found that the man was an independent contractor, and that his employees were not employees of the Crossett Lumber Co. To my mind, this does not change that decision.

Mr. HARRIS. One further question with reference to insurance. What is the status, under the definition of "employee" of a local property agent selling fire insurance, surety, fidelity insurance, who owns his business, which he may sell at his will?

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. MILLS. The status of the local property insurance agent referred to by the gentleman was considered by the committee in connection with this definition, and the committee does not intend, and I am reliably informed that the Treasury does not contemplate, that they should be included as employees, under this definition. The answer I obtained from those people in the Treasury, who will be charged with the responsibility of collecting this tax, is that those people clearly are not employees.

Mr. HARRIS. Will the gentleman advise the House if he also has information as to whether or not the attitude of the Treasury as he has just explained will be the same with reference to answers to the questions I asked regarding the sawmill, paper mill, and timber industries?

Mr. MILLS. I can assure the gentleman as much as anyone can assure him concerning the action of a bureau that the people in the Internal Revenue Service and in the Treasury will attempt as best they can to follow what they consider to be the Committee's intention regarding these definitions. The people in the Bureau of Internal Revenue and in the Treasury Department have been with our Committee during the course of all our consideration of these definitions and I think they know full well what our Committee intends, and that the Committee does not intend to give a blank check to any department.

Mr. HARRIS. I appreciate the gentleman's categorical answer to these questions.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. JENKINS. Does the gentleman think there is any finality in that? That just because one man in the Treasury says what he will do the man who succeeds him will be similarly bound? In future years the Treasury will be officered by other men; there is no permanency there. These men down in the Treasury cannot take the place of a judge on the bench; they are not the judiciary; and I tell you we ought not to pass any legislation based on what an official in the Treasury might or might not do.

Mr. HARRIS. I, too, have had some doubt about administrative procedures but I assume most agencies are endeavoring to administer the laws as Congress intends them. There are certainly some exceptions, but we do not anticipate this to be one of them.

I thank the gentleman from Arkansas for his categorical answers to my questions, but from these actual operations we must recognize that such independent contractors are integrated with the business. It is just an actual reality that cannot be avoided in such operations. Many contract with the company only and they take one contract after another. Therefore, some question the meaning of these interrelated provisions of paragraph 4, under the definition pertaining to the so-called economic dependents.

But it is the committee's interpretation that such actual operations would not be included in the employee definition and the contractors will be the ones responsible for the tax and the compliance with the social security provision.

Mr. MILLS. That is correct.

Mr. HARRIS. I appreciate your clear and frank answers in clarifying this as it affects this industry.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. COOPER. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. I may state, Mr. Speaker, that it is the hope and expectation that we will reach a vote on the pending bill tomorrow afternoon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4381) entitled "An act to provide cumulative sick and emergency leave with pay for teachers and attendance officers in the employ of the Board of Education of the District of Columbia, and for other purposes."

EXTENSION OF REMARKS

Mr. BIEMILLER (at the request of Mr. COOPER) was given permission to extend his remarks in the RECORD.

Mr. EVINS (at the request of Mr. COOPER) was given permission to extend his remarks in the RECORD and to include three addresses by the President of the United States.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and to include extraneous matter.

ERNEST J. JENKINS

Mr. WHEELER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 377) for the relief of Ernest J. Jenkins, which was on today's Private Calendar but was passed over.

The Clerk read the title of the bill.

Mr. DOLLIVER. Mr. Speaker, reserving the right to object, will the gentleman from Georgia consent to an amendment?

Mr. WHEELER. Yes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ernest J. Jenkins, of Brunswick, Ga., the sum of $21,600, in full satisfaction of his claim against the United States for compensation for loss of earnings and for expenses incurred as a result of personal injuries sustained in an airplane crash on October 8, 1942, while on active duty with the Civil Air Patrol, Sixth Task Force, at St. Simons Island, Ga.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shal be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. DOLLIVER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER: On page 1, line 6, strike out "$21,600" and insert in lieu thereof "$10,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF FEDERAL FOOD, DRUG, AND COSMETIC ACT, AS AMENDED

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 160) to amend section 801 of the Federal Food, Drug, and Cosmetic Act, as amended, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? The Chair hears none, and appoints the following conferees: Messrs. ROGERS of Florida, WILSON of Oklahoma, HINSHAW, and LEONARD W. HALL.

EXTENSION OF REMARKS

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the RECORD and include an article by Ludwig Lesinski.

Mr. QUINN asked and was given permission to extend his remarks in the RECORD and include a newspaper article appearing in the Long Island Star Journal on Monday, October 3, 1949.

A SELECT COMMITTEE ON INTERNATIONAL INFORMATION AND PSYCHOLOGICAL WARFARE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the introduction of a resolution to conduct a full and complete investigation and study of peacetime international information services as conducted by the Federal Government, and to examine the means by which our national interest may best be served by a civilian psychological warfare agency in the event of war or the threat of war, has occupied my attention for many months.

To accomplish this end, I have introduced House Resolution 374.

At no other time in the history of the United States has there been assembled on these shores so many vitally concerned American citizens with such a variety of experience in both peacetime information and psychological warfare as there are today.

The testimony of these Americans before the proposed select committee of the House of Representatives would create a storehouse of skills and know-how in intricate and highly specialized skills. Such essential information cannot be collected on short notice. But, should a need arise for such information, each minute wasted would create a corresponding figure on casualty lists. No one can tell what will come to pass. So we must bulwark ourselves against what might come to pass.

It is sincerely felt, and it is devoutly hoped, that no occasion will arise where all of this mass of knowledge must, of necessity, be tapped and used. Nevertheless, it would indeed be fatal overconfidence should we fail to utilize this reserve of ability which is at hand ready for use; awaiting only the mechanical processes of committee procedure, to accumulate it, analyze it, and concentrate it.

My primary aim in introducing my resolution to create a House select committee to study and investigate peacetime international information services and, in the case of war or the threat of war, to study and investigate how our national best interest could be served by a parallel study and investigation of psychological warfare.

My stand on this resolution is tersely and powerfully expressed in the motto of that vigorously American organization—the Boy Scouts of America. Their motto—and, in connection with the resolution I have introduced on the select committee for the study of our international information services and psychological warfare, my motto—"Be Prepared."

The resolution follows:

Resolved, That there is hereby created a select committee to be composed of seven Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occuring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study for the purpose of ascertaining the means by which the national interest may best be protected and served in time of peace by the conduct of international information services and in time of war or threat of war by a civilian psychological warfare agency.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deeems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to include in the remarks he made in the Committee of the Whole today certain extraneous matter.

Mr. SHORT asked and was given permission to extend his remarks in the RECORD and include two speeches delivered at the commissioning of the Naval Reserve Center in Joplin, Mo., on Thursday last.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and to include in one a newspaper article, in the other a letter.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include an address by Kathrine Curtis before the Utah Federation of Womens Republican Clubs at Salt Lake City, Utah, on September 30, 1949, notwithstanding that it exceeded two pages of the RECORD and, according to the Public Printer, cost $218.68 to print.

Mr. HILL asked and was given permission to extend his remarks in the RECORD and include an article entitled "Why Does Uncle Sam Pick On Us" notwithstanding that it exceeded two pages of the RECORD and, according to the Public Printer, cost $184.50 to print.

Mrs. ROGERS of Massachusetts asked and was given permission to include in her remarks a resolution she introduced today to create a committee to investigate the best means of conducting psychological warfare in peace and war.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD in two instances and include excerpts.

COMMITTEE ON APPROPRIATIONS

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the civil functions appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. GARY, indefinitely, on account of illness.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5328. An act authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 934. An act to provide for the detention, care, and treatment of persons of unsound mind in certain Federal reservations in Virginia and Maryland;

S. 1407. An act to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes; and

S. 2085. An act to amend the Employment Act of 1946 with respect to the Joint Committee on the Economic Report.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on October 3, 1949, present to the President, for his approval, bills of the House of the following titles:

H. R. 165. An act to authorize the American River Basin development, California, for irrigation and reclamation, and for other purposes;

H. R. 605. An act for the relief of the estate of James B. Stirling, deceased;

H. R. 733. An act to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claim of Frank Haegele;

H. R. 752. An act conferring jurisdiction upon the United States District Court for the Eastern District of Michigan to hear, determine, and render judgment upon the claim of Edward Gray, Sr.; Edward Gray, Jr.; Bertha Mae Gray; Bertha Patmon; and Lindsay Gardner, all of the city of Hamtramck, Wayne County, Mich.;

H. R. 1106. An act for the relief of King V. Clark;

H. R. 1458. An act for the relief of Joseph R. Gregory;

H. R. 1474. An act to confer jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon the claim of Miguel A. Viera for damages sustained as the result of an accident involving a United States Army truck at Leghorn, Italy, on January 11, 1946;

H. R. 1864. An act for the relief of Mitsuo Higa and Hilo Sugar Co.;

H. R. 1950. An act for the relief of certain consultants formerly employed by the Technical Industrial Intelligence Committee of the Foreign Economic Administration, and for other purposes;

H. R. 3081. An act for the relief of the estate of Maurice G. Evans;

H. R. 3598. An act for the relief of Mrs. Katherine Gehringer;

H. R. 4029. An act to authorize the Secretary of the Interior to procure for the Everglades National Park with available funds, including those made available by the State of Florida, the remaining lands and interest in lands within the boundary agreed upon between the State of Florida and the Secretary of the Interior, within and a part of that authorized by the act of May 30, 1934 (48 Stat. 816), and within which the State has already donated its lands, and for other purposes;

H. R. 4094. An act for the relief of Bunge North-American Grain Corp., the Corporacion de Productores de Carnes, Herman M. Gidden, and the Overseas Metal and Ore Corp.;

H. R. 5134. An act to promote development in cooperation with the State of Colorado of the fish, wildlife, and recreational aspects of the Colorado-Big Thompson Federal reclamation project;

H. R. 5148. An act to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon the claim or claims, of Hilda Links and E. J. Ohman, partners, and Fred L. Kroesing, all of Anchorage, Alaska; and

H. R. 5764. An act to authorize the granting to the city of Los Angeles, Calif., of rights-of-way, on, over, under, through, and across certain public lands.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 49 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, October 5, 1949, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

960. A letter from the Comptroller General of the United States, transmitting a report on the audit of the financial statements and records of the Federal home loan banks and the Home Loan Bank Board for the fiscal year ended June 30, 1948 (H. Doc. No. 343); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Armed Services. H. R. 2895. A bill to authorize the sale of select base material, at the Fort Benning Military Reservation, to Muscogee County, State of Georgia, for use on county roads; with an amendment (Rept. No. 1373). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIAMS: Committee on Post Office and Civil Service. H. R. 5265. A bill to require certain information to appear on matter mailed by or on behalf of certain Communist, Fascist, totalitarian, subversive, and other organizations; with an amendment (Rept. No. 1374). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H. R. 5876. A bill to amend the Army-Navy Nurses Act of 1947, to provide for additional appointments, and for other purposes; with an amendment (Rept. No. 1375). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. S. 1267. An act to promote the national defense by authorizing a unitary plan for construction of transsonic and supersonic wind-tunnel facilities and the establishment of an air engineering development center; with an amendment (Rept. No. 1376). Referred to the Committee of the Whole House on the State of the Union.

Mr. KERR: Committee of conference. H. R. 3734. A bill making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes; without amendment (Rept. No. 1377). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Armed Services. S. 509. An act to provide for the advancement of commissioned Warrant Officer Chester A. Davis, United States Marine Corps (retired) to the rank of lieutenant colonel on the retired list; without amendment (Rept. No. 1371). Referred to the Committee of the Whole House.

Mr. BROOKS: Committee on Armed Services. S. 1560. An act to authorize the appointment of Col. Kenneth D. Nichols, O–17498, professor of the United States Military Academy, in the permanent grade of colonel, Regular Army, and for other purposes; without amendment (Rept. No. 1372). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of South Dakota:

H. R. 6315. A bill to require that Government motor vehicles be identified as such; to the Committee on Expenditures in the Executive Departments.

By Mr. SPENCE:

H. R. 6316. A bill to amend the National Housing Act, as amended; to the Committee on Banking and Currency.

By Mr. WHITE of California:

H. R. 6317. A bill to provide for the carrying out of the recommendations of the Commission on Organization of the Executive Branch of the Government relating to the Department of the Interior; to the Committee on Expenditures in the Executive Departments.

By Mrs. BOSONE:

H. R. 6318. A bill to extend the boundaries of the Wasatch National Forest, in the State

of Utah, to include certain lands of the United States therein, and for other purposes; to the Committee on Public Lands.

By Mr. HAGEN:

H. R. 6319. A bill to authorize a $100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; to the Committee on Public Lands.

By Mr. JOHNSON:

H. R. 6320. A bill to clarify and extend the authority of the Commissioner of Internal Revenue with respect to unavoidable losses of wine; to the Committee on Ways and Means.

By Mr. McDONOUGH:

H. J. Res. 369. Joint resolution to provide for a study to determine the urgency of the need for, and the feasibility of, installing in underground parking facilities equipment which could be used for the protection of the civilian population or for military purposes; to the Committee on Armed Services.

By Mr. CHURCH:

H. J. Res. 370. Joint resolution to provide for the issuance of a special postage stamp in commemoration of the heroism and outstanding valor of Roberta Lee Mason; to the Committee on Post Office and Civil Service.

By Mrs. ROGERS of Massachusetts:

H. Res. 374. Resolution creating a select committee to conduct an investigation and study to determine means by which the national interest may best be served in time of peace by the conduct of international information services and in time of war by a civilian psychological warfare agency; to the Committee on Rules.

By Mr. MARCANTONIO:

H. Res. 375. Resolution creating a select committee on American military government in Germany; to the Committee on Rules.

By Mr. HAND:

H. Res. 376. Resolution for the relief of Mrs. Emma Shewell; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BOLTON of Ohio:

H. R. 6321. A bill for the relief of Harry F. Murphy; to the Committee on the Judiciary.

By Mr. FALLON:

H. R. 6322. A bill for the relief of Dino Di Luca; to the Committee on the Judiciary.

By Mr. GOSSETT:

H. R. 6323. A bill for the relief of Raymond B. White; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1515. By the SPEAKER: Petition of C. Chambers and others, Orlando, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1516. Also, petition of Herbee Morris and others, St. Petersburg, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1517. Also, petition of Mr. and Mrs. Murphy Lanier and others, Coolidge, Ga., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.